

COMMITTEE REPORTS
CONFERENCE COMMITTEE
House Report 108-283 - To accompany H.R. 2658
Sept. 24, 2003

108TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
108-283

**MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2004, AND FOR
OTHER PURPOSES**

September 24, 2003—Ordered to be printed

Mr. LEWIS of California, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 2658]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2658) “making appropriations for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes”, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2004, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational

movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty, (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$28,247,667,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$23,217,298,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$8,971,897,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, \$22,910,868,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$3,568,725,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for

personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$2,002,727,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$571,444,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$1,288,088,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$5,500,369,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and

expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, \$2,174,598,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed \$11,034,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, \$25,029,346,000: Provided, That of the funds appropriated in this paragraph, not less than \$355,000,000 shall be made available only for conventional ammunition care and maintenance: Provided further, That of funds made available under this heading, \$2,500,000 shall be available for Fort Baker, in accordance with the terms and conditions as provided under the heading "Operation and Maintenance, Army", in Public Law 107-117.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed \$4,463,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes, \$28,146,658,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law, \$3,440,323,000.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed \$7,801,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, \$26,904,731,000: Provided, That notwithstanding any other provision of law, that of the funds available under this heading, \$750,000 shall only be available to the Secretary of the Air Force for a grant to Florida Memorial College for the purpose of funding minority aviation training.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law, \$16,226,841,000, of which not to exceed \$30,000,000 may be available for the CINC initiative fund; and of which not to exceed \$40,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: Provided, That notwithstanding any other provision of law, of the funds provided in this Act for Civil Military programs under this heading, \$500,000 shall be available for a grant for Outdoor Odyssey, Roaring Run, Pennsylvania, to support the Youth Development and Leadership program and Department of Defense STARBASE program: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office: Provided further, That \$4,700,000, to remain available until expended, is available only for expenses relating to certain classified activities, and may be transferred as necessary by the Secretary to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which transferred: Provided further, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$1,998,609,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$1,172,921,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$173,952,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, \$2,179,388,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), \$4,340,581,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, \$4,431,216,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces, \$5,000,000, to remain available until expended: Provided, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts within this title; the Defense Health Program appropriation; procurement accounts; research, development, test and evaluation accounts; and to working capital funds: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided in this paragraph is in addition to

any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, \$10,333,000, of which not to exceed \$2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, \$396,018,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, \$256,153,000, to remain available until transferred: Provided, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, \$384,307,000, to remain available until transferred: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all

or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, \$24,081,000, to remain available until transferred: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, \$284,619,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2561 of title 10, United States Code), \$59,000,000, to remain available until September 30, 2005.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise, and for defense and military contacts, \$450,800,000, to remain available until September 30, 2006: Provided, That of the amounts

provided under this heading, \$10,000,000 shall be available only to support the dismantling and disposal of nuclear submarines, submarine reactor components, and warheads in the Russian Far East.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$2,154,035,000, to remain available for obligation until September 30, 2006.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,505,462,000, to remain available for obligation until September 30, 2006.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,857,054,000, to remain available for obligation until September 30, 2006: Provided, That of the funds made available under this heading, \$35,000,000 shall be available only for advance procurement items for the fifth and sixth Stryker Brigade Combat Teams.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and

private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,387,759,000, to remain available for obligation until September 30, 2006.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of passenger motor vehicles for replacement only; and the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$180,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$4,774,452,000, to remain available for obligation until September 30, 2006.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, \$9,110,848,000, to remain available for obligation until September 30, 2006.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, \$2,095,784,000, to remain available for obligation until September 30, 2006.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and

private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$934,905,000, to remain available for obligation until September 30, 2006.

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

Carrier Replacement Program (AP), \$1,186,564,000;

NSSN, \$1,511,935,000;

NSSN (AP), \$827,172,000;

SSGN, \$930,700,000;

SSGN (AP), \$236,600,000;

CVN Refuelings (AP), \$232,832,000;

SSN Submarine Refuelings, \$450,000,000;

SSN Submarine Refuelings (AP), \$10,351,000;

SSBN Submarine Refuelings (AP), \$105,800,000;

DDG-51 Destroyer, \$3,218,311,000;

LPD-17, \$1,192,034,000;

LPD-17 (AP), \$135,000,000;

LHD-8, \$355,006,000;

LCAC Landing Craft Air Cushion, \$73,087,000;

Mine Hunter SWATH, \$4,500,000;

Prior year shipbuilding costs, \$635,502,000;

Service Craft, \$23,480,000; and

For outfitting, post delivery, conversions, and first destination transportation, \$338,749,000.

In all: \$11,467,623,000, to remain available for obligation until September 30, 2008: Provided, That additional obligations may be incurred after September 30, 2008, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the

construction of major components of such vessel: Provided further, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of passenger motor vehicles for replacement only, and the purchase of 7 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, \$4,941,098,000, to remain available for obligation until September 30, 2006.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, \$1,165,727,000, to remain available for obligation until September 30, 2006.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, \$12,086,201,000, to remain available for obligation until September 30, 2006.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant

and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, \$4,165,633,000, to remain available for obligation until September 30, 2006.

PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, \$1,262,725,000, to remain available for obligation until September 30, 2006.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only, and the purchase of 1 vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, \$11,558,799,000, to remain available for obligation until September 30, 2006.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only, including not to exceed 3 passenger motor vehicles for the Defense Security Service; the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed \$200,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway, \$3,709,926,000, to remain available for obligation until September 30, 2006.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces,

\$400,000,000, to remain available for obligation until September 30, 2006: Provided, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

DEFENSE PRODUCTION ACT PURCHASES

For activities by the Department of Defense pursuant to sections 108, 301, 302, and 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2078, 2091, 2092, and 2093), \$78,016,000, to remain available until expended.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$10,363,941,000, to remain available for obligation until September 30, 2005: Provided, That of the amounts provided under this heading, \$8,500,000 for Molecular Genetics and Musculoskeletal Research in program element 0602787A, shall remain available until expended.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$15,146,383,000, to remain available for obligation until September 30, 2005: Provided, That funds appropriated in this paragraph which are available for the V-22 may be used to meet unique operational requirements of the Special Operations Forces: Provided further, That funds appropriated in this paragraph shall be available for the Cobra Judy program.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, \$20,500,984,000, to remain available for obligation until September 30, 2005.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, \$18,900,715,000, to remain available for obligation until September 30, 2005.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation, in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith, \$305,861,000, to remain available for obligation until September 30, 2005.

TITLE V**REVOLVING AND MANAGEMENT FUNDS****DEFENSE WORKING CAPITAL FUNDS**

For the Defense Working Capital Funds, \$1,641,507,000.

NATIONAL DEFENSE SEALIFT FUND

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744), and for the necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$1,066,462,000, to remain available until expended: Provided, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: Provided further, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: Provided further, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That, notwithstanding any other provision of law, \$6,500,000 of the funds available under this heading shall be available in addition to other amounts otherwise available, only to finance the cost of constructing additional sealift capacity.

TITLE VI**OTHER DEPARTMENT OF DEFENSE PROGRAMS****DEFENSE HEALTH PROGRAM**

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law, \$15,730,013,000, of which \$14,914,816,000 shall be for Operation and maintenance, of which not to exceed 2 percent shall remain

available until September 30, 2005, and of which \$7,420,972,000 shall be available for contracts entered into under the TRICARE program; of which \$328,826,000, to remain available for obligation until September 30, 2006, shall be for Procurement; and of which \$486,371,000, to remain available for obligation until September 30, 2005, shall be for Research, development, test and evaluation.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, \$1,500,261,000, of which \$1,169,168,000 shall be for Operation and maintenance to remain available until September 30, 2005; \$79,212,000 shall be for Procurement to remain available until September 30, 2006; \$251,881,000 shall be for Research, development, test and evaluation to remain available until September 30, 2005; and no less than \$132,677,000 may be for the Chemical Stockpile Emergency Preparedness Program, of which \$44,168,000 shall be for activities on military installations and \$88,509,000 shall be to assist State and local governments: Provided, That notwithstanding any other provision of law, \$10,000,000 of the funds available under this heading shall be expended only to fund Chemical Stockpile Emergency Preparedness Program evacuation route improvements in Calhoun County, Alabama.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation, \$835,616,000: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$162,449,000, of which \$160,049,000 shall be for Operation and maintenance, of which not to exceed \$700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on the Inspector General's certificate of necessity for confidential military purposes; and of which \$300,000, to remain available until September 30, 2005, shall be for Research, development, test and evaluation; and of which \$2,100,000, to remain available until September 30, 2006, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, \$226,400,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account, \$175,113,000, of which \$26,081,000 for the Advanced Research and Development Committee shall remain available until September 30, 2005: Provided, That of the funds appropriated under this heading, \$44,300,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, \$1,500,000 for Procurement shall remain available until September 30, 2006 and \$1,000,000 for Research, development, test and evaluation shall remain available until September 30, 2005: Provided further, That the National Drug Intelligence Center shall maintain the personnel and technical resources to provide timely support to law enforcement authorities and the intelligence community by conducting document and computer exploitation of materials collected in Federal, State, and local law enforcement activity associated with counter-drug, counter-terrorism, and national security investigations and operations.

PAYMENT TO KAHO'OLawe ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law, \$18,430,000, to remain available until expended.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102-183, \$8,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: Provided, That salary increases granted

to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: Provided further, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: Provided further, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: Provided, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed \$2,100,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section must be made prior to June 30, 2004.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: Provided, That transfers may be made between such funds: Provided further, That transfers may be made between working capital funds and the "Foreign Currency Fluctuations, Defense" appropriation and the "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the

Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any 1 year of the contract or that includes an unfunded contingent liability in excess of \$20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any 1 year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed \$500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

F/A-18 aircraft;

E-2C aircraft;

Tactical Tomahawk missile; and

Virginia Class submarine:

Provided, That the Secretary of the Navy may not enter into a multiyear contract for the procurement of more than one Virginia Class submarine per year.

SEC. 8009. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported as required by section 401(d) of title 10, United States Code: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific

Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8010. (a) During fiscal year 2004, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2005 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2005 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2005.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8011. None of the funds appropriated in this or any other Act may be used to initiate a new installation overseas without 30-day advance notification to the Committees on Appropriations.

SEC. 8012. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8013. None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: Provided, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: Provided further, That this subsection applies only to active components of the Army.

SEC. 8014. (a) LIMITATION ON CONVERSION TO CONTRACTOR PERFORMANCE.—None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than 10 Department of Defense civilian employees unless—

(1) the conversion is based on the result of a public-private competition that includes a most efficient and cost effective organization plan developed by such activity or function; and

(2) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly

to the Department of Defense by an amount that equals or exceeds the lesser of—

(A) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or

(B) \$10,000,000.

(b) EXCEPTIONS.—(1) This section and subsections (a), (b), and (c) of section 2461 of title 10, United States Code, shall not apply to a commercial or industrial type function of the Department of Defense that—

(A) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47);

(B) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or

(C) is planned to be converted to performance by a qualified firm under at least 51 percent ownership by an Indian tribe, as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)), or a Native Hawaiian Organization, as defined in section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)).

(2) This section shall not apply to depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code.

(c) TREATMENT OF CONVERSION.—The conversion of any activity or function of the Department of Defense under the authority provided by this section shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy and is deemed to be awarded under the authority of, and in compliance with, subsection (h) of section 2304 of title 10, United States Code, for the competition or outsourcing of commercial activities.

(TRANSFER OF FUNDS)

SEC. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: Provided, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): Provided further, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components

produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: Provided further, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8017. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) or TRICARE shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: Provided, That this limitation does not apply in the case of inpatient mental health services provided under the program for persons with disabilities under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8018. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: Provided, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: Provided further, That the Department of Defense's budget submission for fiscal year 2005 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: Provided further, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: Provided further, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8019. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M-1 Carbines, M-1 Garand rifles, M-14 rifles, .22 caliber rifles, .30 caliber rifles, or M-1911 pistols.

SEC. 8020. No more than \$500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a

relocation is required in the best interest of the Government.

SEC. 8021. In addition to the funds provided elsewhere in this Act, \$8,000,000 is appropriated only for incentive payments authorized by Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): Provided, That a prime contractor or a subcontractor at any tier that makes a subcontract award to any subcontractor or supplier as defined in 25 U.S.C. 1544 or a small business owned and controlled by an individual or individuals defined under 25 U.S.C. 4221(9) shall be considered a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544) whenever the prime contract or subcontract amount is over \$500,000 and involves the expenditure of funds appropriated by an Act making Appropriations for the Department of Defense with respect to any fiscal year: Provided further, That notwithstanding 41 U.S.C. 430, this section shall be applicable to any Department of Defense acquisition of supplies or services, including any contract and any subcontract at any tier for acquisition of commercial items produced or manufactured, in whole or in part by any subcontractor or supplier defined in 25 U.S.C. 1544 or a small business owned and controlled by an individual or individuals defined under 25 U.S.C. 4221(9): Provided further, That businesses certified as 8(a) by the Small Business Administration pursuant to section 8(a)(15) of Public Law 85-536, as amended, shall have the same status as other program participants under section 602 of Public Law 100-656, 102 Stat. 3825 (Business Opportunity Development Reform Act of 1988) for purposes of contracting with agencies of the Department of Defense.

SEC. 8022. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 30 months after initiation of such study for a multi-function activity.

SEC. 8023. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8024. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8025. (a) Of the funds for the procurement of supplies or services appropriated by this Act and hereafter, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year and hereafter, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase “qualified nonprofit agency for the blind or other severely handicapped” means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O’Day Act (41 U.S.C. 46-48).

SEC. 8026. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility’s direct budget amount.

SEC. 8027. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed \$350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8028. (a) Of the funds made available in this Act, not less than \$32,758,000 shall be available for the Civil Air Patrol Corporation, of which—

(1) \$21,432,000 shall be available from “Operation and Maintenance, Air Force” to support Civil Air Patrol Corporation operation and maintenance, readiness, counterdrug activities, and drug demand reduction activities involving youth programs;

(2) \$10,540,000 shall be available from “Aircraft Procurement, Air Force”; and

(3) \$786,000 shall be available from “Other Procurement, Air Force” for vehicle procurement.

(b) Notwithstanding section 9445 of title 10, United States Code, or any other provision of law, of the funds made available to the Civil Air Patrol Corporation in this Act under the heading “Aircraft Procurement, Air Force”, not more than \$770,000 may be transferred by the Secretary of the Air Force to the “Operation and Maintenance, Air Force” appropriation to be merged with and to be available for administrative expenses incurred by the Air Force in the administration of Civil Air Patrol Corporation. Funds so transferred shall be available for the same period as the appropriation to which transferred.

(c) The Secretary of the Air Force should waive reimbursement for any funds used by the Civil Air Patrol for counter-drug activities in support of Federal, State, and local government agencies.

SEC. 8029. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

(b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: Provided, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 2004 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by Government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 2004, not more than 6,321 staff years of technical effort (staff years) may be funded for defense FFRDCs: Provided, That of the specific amount referred to previously in this subsection, not more than 1,050 staff years may be funded for the defense studies and analysis FFRDCs.

(e) The Secretary of Defense shall, with the submission of the department's fiscal year 2005 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

(f) Notwithstanding any other provision of this Act, the total amount appropriated in this Act for FFRDCs is hereby reduced by \$74,200,000.

SEC. 8030. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act.

SEC. 8031. For the purposes of this Act, the term "congressional defense committees" means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.

SEC. 8032. During the current fiscal year, the Department of Defense may acquire the

modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or Defense Agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.

SEC. 8033. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 2004. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8034. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8035. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 572(b)(5)(A) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 572(b)(5)(B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8036. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall

identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the defense agencies.

SEC. 8037. Notwithstanding any other provision of law, funds available for “Drug Interdiction and Counter-Drug Activities, Defense” may be obligated for the Young Marines program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8038. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101-510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8039. (a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota relocatable military housing units located at Grand Forks Air Force Base and Minot Air Force Base that are excess to the needs of the Air Force.

(b) PROCESSING OF REQUESTS.—The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking Shield Program on behalf of Indian tribes located in the States of North Dakota, South Dakota, Montana, and Minnesota.

(c) RESOLUTION OF HOUSING UNIT CONFLICTS.—The Operation Walking Shield program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b).

(d) INDIAN TRIBE DEFINED.—In this section, the term “Indian tribe” means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103-454; 108 Stat. 4792; 25 U.S.C. 479a-1).

SEC. 8040. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than \$250,000.

SEC. 8041. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2005 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2005 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2005 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8042. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2005: Provided, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended: Provided further, That any funds appropriated or transferred to the Central Intelligence Agency for advanced research and development acquisition, for agent operations, and for covert action programs authorized by the President under section 503 of the National Security Act of 1947, as amended, shall remain available until September 30, 2005.

SEC. 8043. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8044. Of the funds appropriated to the Department of Defense under the heading "Operation and Maintenance, Defense-Wide", not less than \$10,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8045. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-

competitive, and available in a timely fashion.

SEC. 8046. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work;

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source; or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than \$25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8047. (a) Except as provided in subsection (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8048. Notwithstanding section 303 of Public Law 96-487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: Provided, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures.

(RESCISSIONS)

SEC. 8049. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts:

*“Shipbuilding and Conversion, Navy, 2001/2005”, \$3,835,000;
 “Shipbuilding and Conversion, Navy, 2002/2006”, \$9,336,000;
 “Aircraft Procurement, Army, 2003/2005”, \$47,100,000;
 “Weapons and Tracked Combat Vehicles, Army, 2003/2005”, \$30,000,000;
 “Procurement of Ammunition, Army, 2003/2005”, \$36,000,000;
 “Other Procurement, Army, 2003/2005”, \$8,000,000;
 “Other Procurement, Air Force, 2003/2005”, \$10,000,000;
 “Procurement, Defense-Wide, 2003/2005”, \$48,000,000;
 “Research, Development, Test and Evaluation, Army, 2003/2004”, \$2,989,000;
 “Research, Development, Test and Evaluation, Defense-Wide, 2003/2004”,
 \$25,000,000; and
 “National Defense Sealift Fund”, \$105,300,000.*

SEC. 8050. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8051. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People’s Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8052. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: Provided, That during the performance of such duty, the members of the National Guard shall be under State command and control: Provided further, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 8053. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8054. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 2002 level: Provided, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

SEC. 8055. (a) LIMITATION ON PENTAGON RENOVATION COSTS.—Not later than the date each year on which the President submits to Congress the budget under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a certification that the total cost for the planning, design, construction, and installation of equipment for the renovation of wedges 2 through 5 of the Pentagon Reservation, cumulatively, will not exceed four times the total cost for the planning, design, construction, and installation of equipment for the renovation of wedge 1.

(b) ANNUAL ADJUSTMENT.—For purposes of applying the limitation in subsection (a), the Secretary shall adjust the cost for the renovation of wedge 1 by any increase or decrease in costs attributable to economic inflation, based on the most recent economic assumptions issued by the Office of Management and Budget for use in preparation of the budget of the United States under section 1104 of title 31, United States Code.

(c) EXCLUSION OF CERTAIN COSTS.—For purposes of calculating the limitation in subsection (a), the total cost for wedges 2 through 5 shall not include—

(1) any repair or reconstruction cost incurred as a result of the terrorist attack on the Pentagon that occurred on September 11, 2001;

(2) any increase in costs for wedges 2 through 5 attributable to compliance with new requirements of Federal, State, or local laws; and

(3) any increase in costs attributable to additional security requirements that the Secretary of Defense considers essential to provide a safe and secure working environment.

(d) CERTIFICATION COST REPORTS.—As part of the annual certification under subsection (a), the Secretary shall report the projected cost (as of the time of the certification) for—

(1) the renovation of each wedge, including the amount adjusted or otherwise excluded for such wedge under the authority of paragraphs (2) and (3) of subsection (c) for the period covered by the certification; and

(2) the repair and reconstruction of wedges 1 and 2 in response to the terrorist attack on the Pentagon that occurred on September 11, 2001.

(e) DURATION OF CERTIFICATION REQUIREMENT.—The requirement to make an annual certification under subsection (a) shall apply until the Secretary certifies to Congress that the renovation of the Pentagon Reservation is completed.

SEC. 8056. Notwithstanding any other provision of law, that not more than 35 percent of funds provided in this Act for environmental remediation may be obligated under

indefinite delivery/indefinite quantity contracts with a total contract value of \$130,000,000 or higher.

SEC. 8057. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8058. Appropriations available in this Act under the heading "Operation and Maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8059. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That this restriction shall not apply to the purchase of "commercial items", as defined by section 4(12) of the Office of Federal Procurement Policy Act, except that the restriction shall apply to ball or roller bearings purchased as end items.

SEC. 8060. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa, and funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8061. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8062. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act or hereafter in any other Act.

SEC. 8063. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State (as defined in section 381(d) of title 10, United States Code) which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: Provided, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.

SEC. 8064. None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of the Department of Defense who approves or implements the transfer of administrative responsibilities or budgetary resources of any program, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act without the express authorization of Congress: Provided, That this limitation shall not apply to transfers of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense.

SEC. 8065. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—This section applies to—

(1) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(2) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be

replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8066. To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense may issue loan guarantees in support of United States defense exports not otherwise provided for: Provided, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed \$15,000,000,000: Provided further, That the exposure fees charged and collected by the Secretary for each guarantee shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: Provided further, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and International Relations in the House of Representatives on the implementation of this program: Provided further, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10, United States Code.

SEC. 8067. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8068. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8069. During the current fiscal year, no more than \$30,000,000 of appropriations made in this Act under the heading "Operation and Maintenance, Defense-Wide" may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8070. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510, as amended (31 U.S.C. 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

SEC. 8071. Funds appropriated in title II of this Act and for the Defense Health Program in title VI of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects, or any planning studies, environmental assessments, or similar activities related to installation support functions, may be obligated at the time the reimbursable order is accepted by the performing activity: Provided, That for the purpose of this section, supervision and administration costs include all in-house Government cost.

SEC. 8072. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8073. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: Provided, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: Provided further, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal

services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8074. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: Provided, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: Provided further, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8075. None of the funds made available in this Act may be used to approve or license the sale of the F-22 advanced tactical fighter to any foreign government.

SEC. 8076. (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50-65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

SEC. 8077. (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that the unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—The Secretary of Defense, in consultation with the Secretary of State, shall ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all credible information available to the Department of State relating to human rights violations by foreign security forces.

(c) **WAIVER.**—*The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.*

(d) **REPORT.**—*Not more than 15 days after the exercise of any waiver under subsection (c), the Secretary of Defense shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the United States forces and the foreign security forces involved in the training program, and the information relating to human rights violations that necessitates the waiver.*

SEC. 8078. *The Secretary of Defense, in coordination with the Secretary of Health and Human Services, may carry out a program to distribute surplus dental equipment of the Department of Defense, at no cost to the Department of Defense, to Indian Health Service facilities and to federally-qualified health centers (within the meaning of section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))).*

SEC. 8079. *None of the funds appropriated or made available in this Act to the Department of the Navy shall be used to develop, lease or procure the T-AKE class of ships unless the main propulsion diesel engines and propulsors are manufactured in the United States by a domestically operated entity: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.*

SEC. 8080. *None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, including areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business.*

SEC. 8081. *Notwithstanding any other provision of law, funds appropriated in this Act under the heading “Research, Development, Test and Evaluation, Defense-Wide” for any advanced concept technology demonstration project may only be obligated 30 days after a report, including a description of the project, the planned acquisition and transition strategy and its estimated annual and total cost, has been provided in writing to the congressional defense committees: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so.*

SEC. 8082. *The Secretary of Defense shall provide a classified quarterly report, beginning December 15, 2003, to the House and Senate Appropriations Committees, Subcommittees on Defense on certain matters as directed in the classified annex accompanying this Act.*

SEC. 8083. *During the current fiscal year, refunds attributable to the use of the Government travel card, refunds attributable to the use of the Government Purchase Card and refunds attributable to official Government travel arranged by Government Contracted*

Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received.

SEC. 8084. (a) REGISTERING FINANCIAL MANAGEMENT INFORMATION TECHNOLOGY SYSTEMS WITH DOD CHIEF INFORMATION OFFICER.—None of the funds appropriated in this Act may be used for a mission critical or mission essential financial management information technology system (including a system funded by the defense working capital fund) that is not registered with the Chief Information Officer of the Department of Defense. A system shall be considered to be registered with that officer upon the furnishing to that officer of notice of the system, together with such information concerning the system as the Secretary of Defense may prescribe. A financial management information technology system shall be considered a mission critical or mission essential information technology system as defined by the Under Secretary of Defense (Comptroller).

(b) CERTIFICATIONS AS TO COMPLIANCE WITH FINANCIAL MANAGEMENT MODERNIZATION PLAN.—

(1) During the current fiscal year, a financial management automated information system, a mixed information system supporting financial and non-financial systems, or a system improvement of more than \$1,000,000 may not receive Milestone A approval, Milestone B approval, or full rate production, or their equivalent, within the Department of Defense until the Under Secretary of Defense (Comptroller) certifies, with respect to that milestone, that the system is being developed and managed in accordance with the Department's Financial Management Modernization Plan. The Under Secretary of Defense (Comptroller) may require additional certifications, as appropriate, with respect to any such system.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1).

(c) CERTIFICATIONS AS TO COMPLIANCE WITH CLINGER-COHEN ACT.—

(1) During the current fiscal year, a major automated information system may not receive Milestone A approval, Milestone B approval, or full rate production approval, or their equivalent, within the Department of Defense until the Chief Information Officer certifies, with respect to that milestone, that the system is being developed in accordance with the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.). The Chief Information Officer may require additional certifications, as appropriate, with respect to any such system.

(2) The Chief Information Officer shall provide the congressional defense committees timely notification of certifications under paragraph (1). Each such notification shall include, at a minimum, the funding baseline and milestone schedule for each system covered by such a certification and confirmation that the following steps have been taken with respect to the system:

(A) Business process reengineering.

(B) An analysis of alternatives.

(C) An economic analysis that includes a calculation of the return on investment.

(D) Performance measures.

(E) An information assurance strategy consistent with the Department's Global Information Grid.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "Chief Information Officer" means the senior official of the Department of Defense designated by the Secretary of Defense pursuant to section 3506 of title 44, United States Code.

(2) The term "information technology system" has the meaning given the term "information technology" in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

SEC. 8085. During the current fiscal year, none of the funds available to the Department of Defense may be used to provide support to another department or agency of the United States if such department or agency is more than 90 days in arrears in making payment to the Department of Defense for goods or services previously provided to such department or agency on a reimbursable basis: Provided, That this restriction shall not apply if the department is authorized by law to provide support to such department or agency on a nonreimbursable basis, and is providing the requested support pursuant to such authority: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8086. None of the funds provided in this Act may be used to transfer to any nongovernmental entity ammunition held by the Department of Defense that has a center-fire cartridge and a United States military nomenclature designation of "armor penetrator", "armor piercing (AP)", "armor piercing incendiary (API)", or "armor-piercing incendiary-tracer (API-T)", except to an entity performing demilitarization services for the Department of Defense under a contract that requires the entity to demonstrate to the satisfaction of the Department of Defense that armor piercing projectiles are either: (1) rendered incapable of reuse by the demilitarization process; or (2) used to manufacture ammunition pursuant to a contract with the Department of Defense or the manufacture of ammunition for export pursuant to a License for Permanent Export of Unclassified Military Articles issued by the Department of State.

SEC. 8087. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive payment of all or part of the consideration that otherwise would be required under 10 U.S.C. 2667, in the case of a lease of personal property for a period not in excess of 1 year to any organization specified in 32 U.S.C. 508 (d), or any other youth, social, or fraternal non-profit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis.

SEC. 8088. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: Provided, That in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: Provided further,

That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: Provided further, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered.

SEC. 8089. (a) The Department of Defense is authorized to enter into agreements with the Department of Veterans Affairs and federally-funded health agencies providing services to Native Hawaiians for the purpose of establishing a partnership similar to the Alaska Federal Health Care Partnership, in order to maximize Federal resources in the provision of health care services by federally-funded health agencies, applying telemedicine technologies. For the purpose of this partnership, Native Hawaiians shall have the same status as other Native Americans who are eligible for the health care services provided by the Indian Health Service.

(b) The Department of Defense is authorized to develop a consultation policy, consistent with Executive Order No. 13084 (issued May 14, 1998), with Native Hawaiians for the purpose of assuring maximum Native Hawaiian participation in the direction and administration of governmental services so as to render those services more responsive to the needs of the Native Hawaiian community.

(c) For purposes of this section, the term "Native Hawaiian" means any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii.

SEC. 8090. Funds available to the Department of Defense for the Global Positioning System during the current fiscal year may be used to fund civil requirements associated with the satellite and ground control segments of such system's modernization program.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8091. (a) Of the amounts appropriated in this Act under the heading, "Research, Development, Test and Evaluation, Defense-Wide", \$48,000,000 shall remain available until expended: Provided, That notwithstanding any other provision of law, the Secretary of Defense is authorized to transfer such funds to other activities of the Federal Government.

(b) Of the amounts appropriated in this Act under the heading, "Operation and Maintenance, Army", \$177,000,000 shall remain available until expended: Provided, That notwithstanding any other provision of law, the Secretary of Defense is authorized to transfer such funds to other activities of the Federal Government: Provided further, That the Secretary of Defense is authorized to enter into and carry out contracts for the acquisition of real property, construction, personal services, and operations related to projects described in further detail in the Classified Annex accompanying the Department of Defense Appropriations Act, 2004, consistent with the terms and conditions set forth therein: Provided further, That contracts entered into under the authority of this section may provide for such indemnification as the Secretary determines to be necessary: Provided further, That projects authorized by this section shall comply with applicable Federal, State, and local law to the maximum extent consistent with the national security, as determined by the Secretary of Defense.

SEC. 8092. Section 8106 of the Department of Defense Appropriations Act, 1997 (titles I through VIII of the matter under subsection 101(b) of Public Law 104-208; 110 Stat. 3009-111; 10 U.S.C. 113 note) shall continue in effect to apply to disbursements that are made by the Department of Defense in fiscal year 2004.

SEC. 8093. In addition to amounts provided elsewhere in this Act, \$3,800,000 is hereby appropriated for "Defense Health Program", to remain available for obligation until expended: Provided, That notwithstanding any other provision of law, \$2,000,000 shall be available only for a grant to the Fisher House Foundation, Inc., only for the construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary, and notwithstanding any other provision of law, \$1,800,000 shall be available only for deposit into the Army, Navy, and Air Force Fisher House Non-appropriated Fund Instrumentalities and shall be used in support and upkeep of existing Fisher Houses.

SEC. 8094. Amounts appropriated in titles II and IV are hereby reduced by \$504,500,000 to reflect savings attributable to improvements in the management of professional support services, surveys and analysis, and contracted engineering and technical support, and to limit excessive growth in the procurement of advisory and assistance services, to be distributed as follows:

- (1) From "Operation and Maintenance, Army", \$48,500,000;*
 - (2) From "Operation and Maintenance, Navy", \$84,400,000;*
 - (3) From "Operation and Maintenance, Marine Corps", \$4,300,000;*
 - (4) From "Operation and Maintenance, Air Force", \$196,300,000;*
 - (5) From "Operation and Maintenance, Defense-Wide", \$91,000,000;*
 - (6) From "Research, Development, Test and Evaluation, Navy", \$40,000,000;*
- and*
- (7) From "Research, Development, Test and Evaluation, Defense-Wide", \$40,000,000:*

Provided, That these reductions shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project and activity within each appropriations account.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8095. Of the amounts appropriated in this Act under the heading "Research, Development, Test and Evaluation, Defense-Wide", \$144,803,000 shall be made available for the Arrow missile defense program: Provided, That of this amount, \$80,000,000 shall be available for the purpose of producing Arrow missile components in the United States and Arrow missile components and missiles in Israel to meet Israel's defense requirements, consistent with each nation's laws, regulations and procedures: Provided further, That funds made available under this provision for production of missiles and missile components may be transferred to appropriations available for the procurement of weapons and equipment, to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred: Provided further, That the transfer authority provided under this provision is in addition to any other transfer

authority contained in this Act.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8096. In addition to amounts provided elsewhere in this Act, \$60,000,000 is hereby appropriated for "Aircraft Procurement, Navy": Provided, That these funds shall be available only for transfer to the Coast Guard for mission essential equipment for Coast Guard HC-130J aircraft.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8097. Of the amounts appropriated in this Act under the heading "Shipbuilding and Conversion, Navy", \$635,502,000 shall be available until September 30, 2004, to fund prior year shipbuilding cost increases: Provided, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amounts specified: Provided further, That the amounts transferred shall be merged with and be available for the same purposes as the appropriations to which transferred:

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1996/04":

LPD-17 Amphibious Transport Dock Ship Program, \$95,300,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1998/04":

New SSN, \$81,060,000.

Under the heading, "Shipbuilding and Conversion, Navy, 1999/04":

DDG-51 Destroyer Program, \$44,420,000;

New SSN, \$156,978,000;

LPD-17 Amphibious Transport Dock Ship Program, \$51,100,000.

Under the heading, "Shipbuilding and Conversion, Navy, 2000/04":

DDG-51 Destroyer Program, \$24,510,000;

LPD-17 Amphibious Transport Dock Ship Program, \$112,778,000.

Under the heading, "Shipbuilding and Conversion, Navy, 2001/04":

DDG-51 Destroyer Program, \$6,984,000;

New SSN, \$62,372,000.

SEC. 8098. The Secretary of the Navy may settle, or compromise, and pay any and all admiralty claims under 10 U.S.C. 7622 arising out of the collision involving the U.S.S. GREENEVILLE and the EHIME MARU, in any amount and without regard to the monetary limitations in subsections (a) and (b) of that section: Provided, That such payments shall be made from funds available to the Department of the Navy for operation and maintenance.

SEC. 8099. Notwithstanding any other provision of law or regulation, the Secretary of Defense may exercise the provisions of 38 U.S.C. 7403(g) for occupations listed in 38 U.S.C. 7403(a)(2) as well as the following:

Pharmacists, Audiologists, and Dental Hygienists.

(A) The requirements of 38 U.S.C. 7403(g)(1)(A) shall apply.

(B) The limitations of 38 U.S.C. 7403(g)(1)(B) shall not apply.

SEC. 8100. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 2004 until the enactment of the Intelligence Authorization Act for fiscal year 2004.

SEC. 8101. The total amount appropriated in title II is hereby reduced by \$200,000,000 to reduce cost growth in information technology development, to be derived as follows:

(1) From "Operation and Maintenance, Army", \$40,000,000.

(2) From "Operation and Maintenance, Navy", \$60,000,000.

(3) From "Operation and Maintenance, Air Force", \$60,000,000.

(4) From "Operation and Maintenance, Defense-Wide", \$40,000,000.

SEC. 8102. In addition to funds made available elsewhere in this Act, \$5,500,000 is hereby appropriated and shall remain available until expended to provide assistance, by grant or otherwise (such as, but not limited to, the provision of funds for repairs, maintenance, construction, and/or for the purchase of information technology, text books, teaching resources), to public schools that have unusually high concentrations of special needs military dependents enrolled: Provided, That in selecting school systems to receive such assistance, special consideration shall be given to school systems in States that are considered overseas assignments, and all schools within these school systems shall be eligible for assistance: Provided further, That up to \$2,000,000 shall be available for the Department of Defense to establish a non-profit trust fund to assist in the public-private funding of public school repair and maintenance projects, or provide directly to non-profit organizations who in return will use these monies to provide assistance in the form of repair, maintenance, or renovation to public school systems that have high concentrations of special needs military dependents and are located in States that are considered overseas assignments, and of which 2 percent shall be available to support the administration and execution of the funds: Provided further, That to the extent a Federal agency provides this assistance, by contract, grant, or otherwise, it may accept and expend non-Federal funds in combination with these Federal funds to provide assistance for the authorized purpose, if the non-Federal entity requests such assistance and the non-Federal funds are provided on a reimbursable basis.

SEC. 8103. None of the funds in this Act may be used to initiate a new start program without prior notification to the Office of Secretary of Defense and the congressional defense committees.

SEC. 8104. The amounts appropriated in title II are hereby reduced by \$372,000,000 to reflect cash balance and rate stabilization adjustments in Department of Defense Working Capital Funds, as follows:

(1) From "Operation and Maintenance, Army", \$107,000,000.

(2) From “Operation and Maintenance, Navy”, \$45,000,000.

(3) From “Operation and Maintenance, Air Force”, \$220,000,000.

SEC. 8105. The amount appropriated in title II for “Operation and Maintenance, Navy” is hereby reduced by \$44,000,000 to reduce excess funded carryover.

SEC. 8106. (a) In addition to the amounts provided elsewhere in this Act, the amount of \$5,500,000 is hereby appropriated to the Department of Defense for “Operation and Maintenance, Army National Guard”. Such amount shall be made available to the Secretary of the Army only to make a grant in the amount of \$5,500,000 to the entity specified in subsection (b) to facilitate access by veterans to opportunities for skilled employment in the construction industry.

(b) The entity referred to in subsection (a) is the Center for Military Recruitment, Assessment and Veterans Employment, a nonprofit labor-management co-operation committee provided for by section 302(c)(9) of the Labor-Management Relations Act, 1947 (29 U.S.C. 186(c)(9)), for the purposes set forth in section 6(b) of the Labor Management Cooperation Act of 1978 (29 U.S.C. 175a note).

SEC. 8107. FINANCING AND FIELDING OF KEY ARMY CAPABILITIES.—The Department of Defense and the Department of the Army shall make future budgetary and programming plans to fully finance the Non-Line of Sight (NLOS) Objective Force cannon and resupply vehicle program in order to field this system in the 2008 timeframe. As an interim capability to enhance Army lethality, survivability, and mobility for light and medium forces before complete fielding of the Objective Force, the Army shall ensure that budgetary and programmatic plans will provide for no fewer than six Stryker Brigade Combat Teams to be fielded between 2003 and 2008.

SEC. 8108. Of the funds made available in this Act, not less than \$40,600,000 shall be available to maintain an attrition reserve force of 18 B-52 aircraft, of which \$3,800,000 shall be available from “Military Personnel, Air Force”, \$25,100,000 shall be available from “Operation and Maintenance, Air Force”, and \$11,700,000 shall be available from “Aircraft Procurement, Air Force”: Provided, That the Secretary of the Air Force shall maintain a total force of 94 B-52 aircraft, including 18 attrition reserve aircraft, during fiscal year 2004: Provided further, That the Secretary of Defense shall include in the Air Force budget request for fiscal year 2005 amounts sufficient to maintain a B-52 force totaling 94 aircraft.

SEC. 8109. Of the funds made available under the heading “Operation and Maintenance, Air Force”, \$8,000,000 shall be available to realign railroad track on Elmendorf Air Force Base and Fort Richardson: Provided, That the Secretary of the Air Force is authorized, using funds available under the heading “Operation and Maintenance, Air Force”, to complete a phased repair project, which repairs may include upgrades and additions, to the infrastructure of the operational ranges managed by the Air Force in Alaska. The total cost of such phased projects shall not exceed \$26,000,000.

(TRANSFER OF FUNDS)

SEC. 8110. Of the amounts appropriated in Public Law 107-206 under the heading “Defense Emergency Response Fund”, an amount up to the fair market value of the

leasehold interest in adjacent properties necessary for the force protection requirements of Tooele Army Depot, Utah, may be made available to resolve any property disputes associated with Tooele Army Depot, Utah, and to acquire such leasehold interest as required: Provided, That none of these funds may be used to acquire fee title to the properties.

SEC. 8111. Up to \$3,000,000 of the funds appropriated under the heading "Operation and Maintenance, Navy" in this Act for the Pacific Missile Range Facility may be made available to contract for the repair, maintenance, and operation of adjacent off-base water, drainage, and flood control systems, electrical upgrade to support additional missions critical to base operations, and support for a range footprint expansion to further guard against encroachment.

SEC. 8112. In addition to the amounts appropriated or otherwise made available in this Act, \$34,950,000 is hereby appropriated to the Department of Defense: Provided, That the Secretary of Defense shall make grants in the amount of \$8,500,000 to the Fort Benning Infantry Museum; \$6,000,000 to the University of South Florida for establishment and operation of the Joint Military Science Leadership Program; \$5,000,000 to the American Red Cross for Armed Forces Emergency Services; \$3,500,000 to the National D-Day Museum; \$3,000,000 to the Chicago Park District for renovation of the Broadway Armory; \$2,100,000 to the National Guard Youth Foundation; \$2,100,000 to the Intrepid Sea-Air-Space Foundation; \$2,000,000 to the Army Museum of the Southwest at Fort Sill, Oklahoma; \$1,500,000 to the Tredegar National Civil War Center; \$1,000,000 to the Philadelphia Korean War Memorial; and \$250,000 to the CSS Alabama Association.

SEC. 8113. None of the funds appropriated in this Act under the heading "Overseas Contingency Operations Transfer Account" may be transferred or obligated for Department of Defense expenses not directly related to the conduct of overseas contingencies: Provided, That the Secretary of Defense shall submit a report no later than 30 days after the end of each fiscal quarter to the Committees on Appropriations of the Senate and House of Representatives that details any transfer of funds from the "Overseas Contingency Operations Transfer Account": Provided further, That the report shall explain any transfer for the maintenance of real property, pay of civilian personnel, base operations support, and weapon, vehicle or equipment maintenance.

SEC. 8114. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading "Shipbuilding and Conversion, Navy" shall be considered to be for the same purpose as any subdivision under the heading "Shipbuilding and Conversion, Navy" appropriations in any prior fiscal year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 8115. The budget of the President for fiscal year 2005 submitted to the Congress pursuant to section 1105 of title 31, United States Code shall include separate budget justification documents for costs of United States Armed Forces' participation in contingency operations for the Military Personnel accounts, the Operation and Maintenance accounts, and the Procurement accounts: Provided, That these documents shall include a description of the funding requested for each contingency operation, for each military service, to include all Active and Reserve components, and for each appropriations account: Provided further, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for each contingency operation, and programmatic data including, but not

limited to, troop strength for each Active and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: Provided further, That these documents shall include budget exhibits OP-5 and OP-32 (as defined in the Department of Defense Financial Management Regulation) for all contingency operations for the budget year and the two preceding fiscal years.

SEC. 8116. None of the funds in this Act may be used for research, development, test, evaluation, procurement or deployment of nuclear armed interceptors of a missile defense system.

(TRANSFER OF FUNDS)

SEC. 8117. Of the amounts appropriated in this Act under the headings "Research, Development, Test and Evaluation, Navy" and "Operation and Maintenance, Defense-Wide" \$56,200,000 shall be transferred to such appropriations available to the Department of Defense as may be required to carry out the intent of Congress as expressed in the Classified Annex accompanying the Department of Defense Appropriations Act, 2004, and amounts so transferred shall be available for the same purposes and for the same time period as the appropriations to which transferred.

SEC. 8118. During the current fiscal year, section 2533a(f) of Title 10, United States Code, shall not apply to any fish, shellfish, or seafood product. This section is applicable to contracts and subcontracts for the procurement of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).

SEC. 8119. Notwithstanding section 2465 of title 10 U.S.C., the Secretary of the Navy may use funds appropriated in title II of this Act under the heading, "Operation and Maintenance, Navy", to liquidate the expenses incurred for private security guard services performed at the Naval Support Unit, Saratoga Springs, New York by Burns International Security Services, Albany, New York in the amount of \$29,323.35, plus accrued interest, if any.

SEC. 8120. Of the amounts provided in title II of this Act under the heading, "Operation and Maintenance, Defense-Wide", \$20,000,000 is available for the Regional Defense Counter-terrorism Fellowship Program, to fund the education and training of foreign military officers, ministry of defense civilians, and other foreign security officials, to include United States military officers and civilian officials whose participation directly contributes to the education and training of these foreign students.

SEC. 8121. (a) EXCHANGE REQUIRED.—In exchange for the private property described in subsection (b), the Secretary of the Interior shall convey to the Veterans Home of California—Barstow, Veterans of Foreign Wars Post #385E (in this section referred to as the "recipient"), all right, title, and interest of the United States in and to a parcel of real property consisting of approximately one acre in the Mojave National Preserve and designated (by section 8137 of the Department of Defense Appropriations Act, 2002 (Public Law 107-117; 115 Stat. 2278)) as a national memorial commemorating United States participation in World War I and honoring the American veterans of that war. Notwithstanding the conveyance of the property under this subsection, the Secretary shall continue to carry out the responsibilities of the Secretary under such section 8137.

(b) CONSIDERATION.—As consideration for the property to be conveyed by the Secretary under subsection (a), Mr. and Mrs. Henry Sandoz of Mountain Pass, California, have agreed to convey to the Secretary a parcel of real property consisting of approximately five acres, identified as parcel APN 569-051-44, and located in the west ½ of the northeast ¼ of the northwest ¼ of the northwest ¼ of section 11, township 14 north, range 15 east, San Bernardino base and meridian.

(c) EQUAL VALUE EXCHANGE; APPRAISAL.—The values of the properties to be exchanged under this section shall be equal or equalized as provided in subsection (d). The value of the properties shall be determined through an appraisal performed by a qualified appraiser in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions (Department of Justice, December 2000).

(d) CASH EQUALIZATION.—Any difference in the value of the properties to be exchanged under this section shall be equalized through the making of a cash equalization payment. The Secretary shall deposit any cash equalization payment received by the Secretary under this subsection in the Land and Water Conservation Fund.

(e) REVERSIONARY CLAUSE.—The conveyance under subsection (a) shall be subject to the condition that the recipient maintain the conveyed property as a memorial commemorating United States participation in World War I and honoring the American veterans of that war. If the Secretary determines that the conveyed property is no longer being maintained as a war memorial, the property shall revert to the ownership of the United States.

(f) BOUNDARY ADJUSTMENT; ADMINISTRATION OF ACQUIRED LAND.—The boundaries of the Mojave National Preserve shall be adjusted to reflect the land exchange required by this section. The property acquired by the Secretary under this section shall become part of the Mojave National Preserve and be administered in accordance with the laws, rules, and regulations generally applicable to the Mojave National Preserve.

SEC. 8122. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act: Provided, That the Air Force shall allow the 53rd Weather Reconnaissance Squadron to perform other missions in support of national defense requirements during the non-hurricane season.

SEC. 8123. The Secretary of the Air Force shall convey, without consideration, to the Inland Valley Development Agency all right, title, and interest of the United States in and to certain parcels of real property, including improvements thereon, located in San Bernardino, California, that consist of approximately 39 acres and are leased, as of June 1, 2003, by the Secretary to the Defense Finance and Accounting Service. The conveyance shall be subject to the condition that the Inland Valley Development Agency and the Director of the Defense Finance and Accounting Service enter into a lease-back agreement, acceptable to the Director, for premises required by the Director for support operations conducted by the Defense Finance and Accounting Service.

SEC. 8124. Notwithstanding the provisions of section 2401 of title 10, United States Code, the Secretary of the Navy is authorized to enter into a contract for the charter for a

period through fiscal year 2008, of the vessel, RV CORY CHOUEST (United States Official Number 933435) in support of the Surveillance Towed Array Sensor (SURTASS) program: Provided, That funding for this lease shall be from within funds provided in this Act and future appropriations Acts.

SEC. 8125. In addition to the amounts appropriated or otherwise made available elsewhere in this Act, and notwithstanding any other provision of law, \$17,000,000 is hereby appropriated to "Operation and Maintenance, Army", to remain available until September 30, 2004, to be available only for a grant in the amount of \$17,000,000 to the Silver Valley Unified School District, Silver Valley, California, for the purpose of school construction at Fort Irwin, California.

SEC. 8126. (a) The total amount appropriated or otherwise made available in titles II, III, and IV of this Act is hereby reduced by \$1,662,000,000 to reflect savings from outsourcing, management efficiencies, and revised economic assumptions, to be distributed as follows:

"Title II", \$554,000,000;

"Title III", \$554,000,000; and

"Title IV", \$554,000,000.

(b) The Secretary of Defense shall allocate this reduction proportionately to each budget activity, activity group, subactivity group, and each program, project, and activity within each applicable appropriation account: Provided, That appropriations made available in this Act for the pay and benefits of military personnel are exempt from reductions under this provision.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8127. (a) The amount appropriated in title II for "Operation and Maintenance, Air Force" is hereby reduced by \$451,000,000 to reflect cash balance and rate stabilization adjustments in the Department of Defense Transportation Working Capital Fund.

(b) Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall transfer \$451,000,000 from the Department of Defense Transportation Working Capital Fund to "Operation and Maintenance, Air Force" to offset the reduction made by subsection (a). The transfer required by this subsection is in addition to any other transfer authority provided to the Department of Defense.

(RESCISSION)

SEC. 8128. Of the funds made available in chapter 3 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11), under the heading "Iraq Freedom Fund", \$3,490,000,000 are hereby rescinded.

SEC. 8129. Of the total amount appropriated by this Act under the heading "Operation and Maintenance, Defense-Wide", the Secretary of Defense may use up to \$855,566 to make additional payment under section 363 of the Floyd D. Spence National Defense

Authorization Act for Fiscal Year 2001 (20 U.S.C. 7703a) to those local educational agencies whose percentage reduction in the payment amount for fiscal year 2002 was in excess of the reduction otherwise imposed under subsection (d) of such section for that fiscal year. The Secretary of Defense may waive collection of any overpayment made to local educational agencies under such section for fiscal year 2002.

SEC. 8130. None of the funds appropriated or otherwise made available by this Act may be used to implement any amendment or revision of, or cancel, the Department of Defense Directive 1344.7, "Personal Commercial Solicitation on DoD Installations", until 90 days following the date the Secretary of Defense submits to Congress notice of the amendment, revision or cancellation, and the reasons therefore.

SEC. 8131. (a) Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this or any other Act may be obligated for the Terrorism Information Awareness Program: Provided, That this limitation shall not apply to the program hereby authorized for Processing, analysis, and collaboration tools for counterterrorism foreign intelligence, as described in the Classified Annex accompanying the Department of Defense Appropriations Act, 2004, for which funds are expressly provided in the National Foreign Intelligence Program for counterterrorism foreign intelligence purposes.

(b) None of the funds provided for Processing, analysis, and collaboration tools for counterterrorism foreign intelligence shall be available for deployment or implementation except for:

(1) lawful military operations of the United States conducted outside the United States; or

(2) lawful foreign intelligence activities conducted wholly overseas, or wholly against non-United States citizens.

(c) In this section, the term "Terrorism Information Awareness Program" means the program known either as Terrorism Information Awareness or Total Information Awareness, or any successor program, funded by the Defense Advanced Research Projects Agency, or any other Department or element of the Federal Government, including the individual components of such Program developed by the Defense Advanced Research Projects Agency.

SEC. 8132. (a) CLOSURE OF NAVAL STATION ROOSEVELT ROADS, PUERTO RICO.—Notwithstanding any other provision of law, the Secretary of the Navy shall close Naval Station Roosevelt Roads, Puerto Rico, no later than 6 months after enactment of this Act.

(b) IMPLEMENTATION.—The closure provided for in subsection (a), and subsequent disposal, shall be carried out in accordance with the procedures and authorities contained in the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

(c) OFFICE OF ECONOMIC ADJUSTMENT ACTIVITIES.—Notwithstanding any other provision of law, the Office of Economic Adjustment of the Department of Defense may make grants and supplement other Federal funds using funds made available by this

Act under the heading “Operation and Maintenance, Defense-Wide”, and the projects so supported shall be considered to be authorized by law.

SEC. 8133. Up to \$2,000,000 of the funds appropriated by this Act under the heading, “Operation and Maintenance, Army”, may be made available to contract for services required to solicit non-Federal donations to support construction and operation of the United States Army Museum at Fort Belvoir, Virginia: Provided, That notwithstanding any other provision of law, the Army is authorized to receive future payments in this or the subsequent fiscal year from any non-profit organization chartered to support the United States Army Museum to reimburse amounts expended by the Army pursuant to this section: Provided further, That any reimbursements received pursuant to this section shall be merged with “Operation and Maintenance, Army” and shall be made available for the same purposes and for the same time period as that appropriation account.

SEC. 8134. DESIGNATION OF AMERICA’S NATIONAL WORLD WAR II MUSEUM.
(a) FINDINGS.—Congress makes the following findings:

(1) The National D-Day Museum, operated in New Orleans, Louisiana by an educational foundation, has been established with the vision “to celebrate the American Spirit”.

(2) The National D-Day Museum is the only museum in the United States that exists for the exclusive purpose of interpreting the American experience during the World War II years (1939-1945) on both the battlefield and the home front and, in doing so, covers all of the branches of the Armed Forces and the Merchant Marine.

(3) The National D-Day Museum was founded by the preeminent American historian, Stephen E. Ambrose, as a result of a conversation with President Dwight D. Eisenhower in 1963, when the President and former Supreme Commander, Allied Expeditionary Forces in Europe, credited Andrew Jackson Higgins, the chief executive officer of Higgins Industries in New Orleans, as the “man who won the war for us” because the 12,000 landing craft designed by Higgins Industries made possible all of the amphibious invasions of World War II and carried American soldiers into every theatre of the war.

(4) The National D-Day Museum, since its grand opening on June 6, 2000, the 56th anniversary of the D-Day invasion of Normandy, has attracted nearly 1,000,000 visitors from around the world, 85 percent of whom have been Americans from across the country.

(5) American World War II veterans, called the “greatest generation” of the Nation, are dying at the rapid rate of more than 1,200 veterans each day, creating an urgent need to preserve the stories, artifacts, and heroic achievements of that generation.

(6) The United States has a need to preserve forever the knowledge and history of the Nation’s most decisive achievement in the 20th century and to portray that history to citizens, visitors, and school children for centuries to come.

(7) Congress, recognizing the need to preserve this knowledge and history, appropriated funds in 1992 to authorize the design and construction of The National D-Day Museum in New Orleans to commemorate the epic 1944 Normandy invasion, and subsequently appropriated additional funds in 1998, 2000, 2001, 2002, and 2003 to help expand the exhibits in the museum to include the D-Day invasions in the

Pacific Theatre of Operations and the other campaigns of World War II.

(8) The State of Louisiana and thousands of donors and foundations across the country have contributed millions of dollars to help build this national institution.

(9) The Board of Trustees of The National D-Day Museum is national in scope and diverse in its makeup.

(10) The World War II Memorial now under construction on the National Mall in Washington, the District of Columbia, will always be the memorial in our Nation where people come to remember America's sacrifices in World War II, while The National D-Day Museum will always be the museum of the American experience in the World War II years (1939-1945), where people come to learn about Americans' experiences during that critical period, as well as a place where the history of our Nation's monumental struggle against worldwide aggression by would-be oppressors is preserved so that future generations can understand the role the United States played in the preservation and advancement of democracy and freedom in the middle of the 20th century.

(11) The National D-Day Museum seeks to educate a diverse group of audiences through its collection of artifacts, photographs, letters, documents, and first-hand personal accounts of the participants in the war and on the home front during one of history's darkest hours.

(12) The National D-Day Museum is devoted to the combat experience of United States citizen soldiers in all of the theatres of World War II and to the heroic efforts of the men and women on the home front who worked tirelessly to support the troops and the war effort.

(13) The National D-Day Museum continues to add to and maintain one of the largest personal history collections in the United States of the men and women who fought in World War II and who served on the home front.

(14) No other museum describes as well the volunteer spirit that arose throughout the United States and united the country during the World War II years.

(15) The National D-Day Museum is engaged in a 250,000 square foot expansion to include the Center for the Study of the American Spirit, an advanced format theatre, and a new United States pavilion.

(16) The planned "We're All in this Together" exhibit will describe the role every State, commonwealth, and territory played in World War II, and the computer database and software of The National D-Day Museum's educational program will be made available to the teachers and school children of every State, commonwealth, and territory.

(17) The National D-Day Museum is an official Smithsonian affiliate institution with a formal agreement to borrow Smithsonian artifacts for future exhibitions.

(18) Le Memorial de Caen in Normandy, France has formally recognized The National D-Day Museum as its official partner in a Patriotic Alliance signed on October 16, 2002, by both museums.

(19) The official Battle of the Bulge museums in Luxembourg and the American Battlefield Monuments Commission are already collaborating with The National D-Day Museum on World War II exhibitions.

(20) For all of these reasons, it is appropriate to designate The National D-Day Museum as "America's National World War II Museum".

(b) PURPOSES.—The purposes of this section are, through the designation of The National D-Day Museum as “America’s National World War II Museum”, to express the United States Government’s support for—

(1) the continuing preservation, maintenance, and interpretation of the artifacts, documents, images, and history collected by the museum;

(2) the education of the American people as to the American experience in combat and on the home front during the World War II years, including the conduct of educational outreach programs for teachers and students throughout the United States;

(3) the operation of a premier facility for the public display of artifacts, photographs, letters, documents, and personal histories from the World War II years (1939-1945);

(4) the further expansion of the current European and Pacific campaign exhibits in the museum, including the Center for the Study of the American Spirit for education; and

(5) ensuring the understanding by all future generations of the magnitude of the American contribution to the Allied victory in World War II, the sacrifices made to preserve freedom and democracy, and the benefits of peace for all future generations in the 21st century and beyond.

(c) DESIGNATION OF “AMERICA’S NATIONAL WORLD WAR II MUSEUM”.—The National D-Day Museum, New Orleans, Louisiana, is designated as “America’s National World War II Museum”.

SEC. 8135. NATIVE AMERICAN VETERAN HOUSING LOANS. (a) Title I of Division K of the Consolidated Appropriations Resolution, 2003 (Public Law 108-7) is amended by striking out “expenses: Provided, That no new loans in excess of \$5,000,000 may be made in fiscal year 2003.” from the paragraph under the heading “Native American Veteran Housing Loan Program Account” and inserting in lieu thereof “expenses.”.

(b) The amendment made by subsection (a) of this section is effective on the date of the enactment of Public Law 108-7, February 20, 2003.

SEC. 8136. None of the funds appropriated in this Act shall be used to study, demonstrate, or implement any plans privatizing, divesting or transferring of any Civil Works missions, functions, or responsibilities for the United States Army Corps of Engineers to other government agencies without specific direction in a subsequent Act of Congress.

SEC. 8137. None of the funds provided in this Act may be used to pay any fee charged by the Department of State for the purpose of constructing new United States diplomatic facilities.

SEC. 8138. (a) The Secretary of Defense—

(1) shall review—

(A) contractual offset arrangements to which the policy established under

section 2532 of title 10, United States Code, applies that are in effect on the date of the enactment of this Act;

(B) memoranda of understanding and related agreements to which the limitation in section 2531(c) of such title applies that have been entered into with a country with respect to which such contractual offset arrangements have been entered into and are in effect on such date; and

(C) waivers granted with respect to a foreign country under section 2534(d)(3) of title 10, United States Code, that are in effect on such date; and

(2) shall determine the effects of the use of such arrangements, memoranda of understanding, agreements, and waivers on the national technology and industrial base.

(b) The Secretary shall submit a report on the results of the review under subsection (a) to Congress not later than March 1, 2005. The report shall include a discussion of each of the following:

(1) The effects of the contractual offset arrangements on specific subsectors of the industrial base of the United States and what actions have been taken to prevent or ameliorate any serious adverse effects on such subsectors.

(2) The extent, if any, to which the contractual offset arrangements and memoranda of understanding and related agreements have provided for technology transfer that would significantly and adversely affect the national technology and industrial base.

(3) The extent to which the use of such contractual offset arrangements is consistent with—

(A) the limitation in section 2531(c) of title 10, United States Code, that prohibits implementation of a memorandum of understanding and related agreements if the President, taking into consideration the results of the interagency review, determines that such memorandum of understanding or a related agreement has or is likely to have a significant adverse effect on United States industry that outweighs the benefits of entering into or implementing such memorandum or agreement; and

(B) the requirements under section 2534(d) of such title that—

(i) a waiver granted under such section not impede cooperative programs entered into between the Department of Defense and a foreign country and not impede the reciprocal procurement of defense items that is entered into in accordance with section 2531 of such title; and

(ii) the country with respect to which the waiver is granted not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

(c) The Secretary shall submit to the President any recommendations regarding the use or administration of contractual offset arrangements and memoranda of understanding and related agreements referred to in subsection (a) that the Secretary considers an appropriate response to the findings resulting from the Secretary's review.

SEC. 8139. It is the sense of the Senate that—

(1) any request for funds for a fiscal year for an ongoing overseas military operation, including operations in Afghanistan and Iraq, should be included in the annual budget of the President for such fiscal year as submitted to Congress under section 1105(a) of title 31, United States Code; and

(2) any funds provided for such fiscal year for such a military operation should be provided in appropriations Acts for such fiscal year through appropriations to specific accounts set forth in such Acts.

SEC. 8140. STUDY REGARDING MAIL DELIVERY IN THE MIDDLE EAST. (a) **STUDY.**—*The Comptroller General of the United States shall conduct a review of the delivery of mail to troops in the Middle East and the study should:*

(1) Determine delivery times, reliability, and losses for mail and parcels to and from troops stationed in the Middle East.

(2) Identify and analyze mail and parcel delivery service efficiency issues during Operations Desert Shield/Desert Storm, compared to such services which occurred during Operation Iraqi Freedom.

(3) Identify cost efficiencies and benefits of alternative delivery systems or modifications to existing delivery systems to improve the delivery times of mail and parcels.

(b) **REPORT.**—*Not later than 60 days after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the congressional defense committees on their findings and recommendations.*

SEC. 8141. (a) LIMITATION ON USE OF FUNDS.—*Notwithstanding any other provision of law, no funds appropriated or otherwise made available by this Act may be obligated or expended to decommission a Naval or Marine Corps Reserve aviation squadron until the report required by subsection (b) is submitted to the committees of Congress referred to in that subsection.*

(b) **REPORT ON NAVY AND MARINE CORPS TACTICAL AVIATION REQUIREMENTS.**—

(1) Not later than February 1, 2004, the Comptroller General of the United States shall submit to the congressional defense committees a report on the requirements of the Navy and the Marine Corps for tactical aviation, including mission requirements, recapitalization requirements, and the role of Naval and Marine Corps Reserve assets in meeting such requirements.

(2) The report shall include the recommendations of the Comptroller General on an appropriate force structure for the active and reserve aviation units of the Navy and the Marine Corps, and related personnel requirements, for the 10-year period beginning on the date of the report.

SEC. 8142. *The Secretary of the Air Force, in consultation with the Chief of Air Force Reserve, shall study the mission of the 932nd Airlift Wing, Scott Air Force Base, Illinois, and evaluate whether it would be appropriate to substitute for that mission a mixed mission of transporting patients, passengers, and cargo that would increase the airlift capability of*

the Air Force while continuing the use and training of aeromedical evacuation personnel. The Secretary shall submit a report on the results of the study and evaluation to the congressional defense committees not later than January 16, 2004.

SEC. 8143. REPORTS ON SAFETY ISSUES DUE TO DEFECTIVE PARTS. (a) **REPORT FROM THE SECRETARY.**—*The Secretary shall by March 31, 2004, examine and report back to the congressional defense committees on—*

(1) how to implement a system for tracking safety-critical parts so that parts discovered to be defective, including due to faulty or fraudulent work by a contractor or subcontractor, can be identified and found;

(2) appropriate standards and procedures to ensure timely notification of contracting agencies and contractors about safety issues including parts that may be defective, and whether the Government Industry Data Exchange Program should be made mandatory;

(3) efforts to find and test airplane parts that have been heat treated by companies alleged to have done so improperly; and

(4) whether contracting agencies and contractors have been notified about alleged improper heat treatment of airplane parts.

(b) **REPORT FROM THE COMPTROLLER GENERAL.**—*The Comptroller General shall examine and report back to the congressional defense committees on—*

(1) the oversight of subcontractors by prime contractors, and testing and quality assurance of the work of the subcontractors; and

(2) the oversight of prime contractors by the Department, the accountability of prime contractors for overseeing subcontractors, and the use of enforcement mechanisms by the Department.

SEC. 8144. *Section 8149(b) of the Department of Defense Appropriations Act, 2003 (Public Law 107-248; 116 Stat. 1572) is amended by adding at the end the following new paragraph:*

“(3) This subsection shall remain in effect for fiscal year 2004.”.

SEC. 8145. (a) *The Secretary of the Navy shall transfer by gift under section 7306 of title 10, United States Code, the Sturgeon Class submarine NARWHAL (SSN-671) to the National Submarine Science Discovery Center, Newport, Kentucky, upon receipt of an application for donation of such vessel to the Center that is satisfactory to the Secretary.*

(b) *Before transferring the submarine as required under subsection (a), the Secretary shall remove the nuclear reactor compartment and the other classified or otherwise sensitive military equipment of the submarine.*

(c) *Subsection (c) of section 7306 of title 10, United States Code, does not apply to the cost of carrying out subsection (b) of this section, any other cost of dismantling the submarine, and the cost of any recycling or disposal of equipment and materiel removed from the submarine before transfer.*

(d) Subsection (d) of section 7306 of title 10, United States Code, does not apply to the transfer required under subsection (a).

SEC. 8146. Fiscal Year 2004 Exemption for Certain Members of the Armed Forces From Requirement to Pay Subsistence Charges While Hospitalized. (a) IN GENERAL.—Section 1075 of title 10, United States Code, is amended—

- (1) by inserting “(a) IN GENERAL.—” before “When”; and*
- (2) by striking the second sentence and inserting the following:*

“(b) EXCEPTIONS.—Subsection (a) shall not apply to any of the following:

“(1) An enlisted member, or former enlisted member, of a uniformed service who is entitled to retired or retainer pay or equivalent pay.

“(2) An officer or former officer of a uniformed service, or an enlisted member or former enlisted member of a uniformed service not described in paragraph (1), who is hospitalized under section 1074 because of an injury incurred (as determined under criteria prescribed by the Secretary of Defense)—

“(A) as a direct result of armed conflict;

“(B) while engaged in hazardous service;

“(C) in the performance of duty under conditions simulating war; or

“(D) through an instrumentality of war.

“(c) APPLICABILITY.—The exception provided in paragraph (2) of subsection (b) shall apply only during fiscal year 2004.”.

(b) EFFECTIVE DATE. —Subsections (b) and (c) of section 1075 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2003, and apply with respect to injuries incurred before, on, or after that date.

This Act may be cited as the “Department of Defense Appropriations Act, 2004”.

And the Senate agree to the same.

Jerry Lewis,

C. W. Bill Young,

David L. Hobson,

Henry Bonilla,

George R. Nethercutt, Jr.,

Randy “Duke” Cunningham,

Rodney P. Frelinghuysen,

Todd Tiahrt,
Roger F. Wicker,
John P. Murtha,
Norman D. Dicks,
Martin Olav Sabo,
Peter J. Visclosky,
James P. Moran,
David R. Obey,

Managers on the Part of the House.

Ted Stevens,
Thad Cochran,
Arlen Specter,
Pete V. Domenici,
Christopher S. Bond,
Mitch McConnell,
Richard C. Shelby,
Judd Gregg,
Kay Bailey Hutchison,
Conrad Burns,
Daniel K. Inouye,
Ernest F. Hollings,
Robert C. Byrd,
Patrick J. Leahy,
Tom Harkin,
Byron L. Dorgan,

Richard J. Durbin,

Harry Reid,

Dianne Feinstein,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2658), making appropriations for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Department of Defense Appropriations Act, 2004, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 108-187 and Senate Report 108-87 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

The conferees agree that for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 2004, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action. The following exception to the above definition shall apply: for the Military Personnel and the Operation and Maintenance accounts, the term “program, project, and activity” is defined as the appropriations accounts contained in the Department of Defense Appropriations Act.

At the time the President submits his budget for fiscal year 2005, the conferees direct the Department of Defense to transmit to the congressional defense committees budget justification documents to be known as the “M-1” and “O-1” which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for military personnel and operation and maintenance in any budget request, or amended budget request, for fiscal year 2005.

SPECIAL INTEREST ITEMS

Items for which additional funds have been provided as shown in the project level adjustment tables or items identified in paragraphs using the phrase “only for” or “only to” in this Statement, are congressional interest items for the purpose of the Base for Reprogramming (DD 1414). Each of these items must be carried on the DD Form 1414 at the stated amount, or a revised amount if changed during the conference or if otherwise specifically addressed in the conference report. These items remain special interest items whether or not they are repeated in a subsequent conference report or Statement.

REPROGRAMMING GUIDANCE

The conferees note that the conference report accompanying Public Law 108-7 provided a temporary increase in the thresholds for the prior approval reprogramming of funds for the procurement and research, development, test and evaluation accounts of the Department of Defense. The conferees wish to emphasize that this revision was intended to effect only the execution of funds available for fiscal year 2003.

The conferees are aware that the Department of Defense believes a greater degree of latitude is needed to best utilize the resources appropriated by the Congress. The conferees have long held that better management and budget preparation is the solution to DoD's needs, not greater fiscal flexibility which would result in less accountability to America's taxpayers. It is true that the effect of inflation has diluted the value of numerical below threshold limits. The conferees, therefore, agree to continue the temporary reprogramming threshold increases, approved for fiscal year 2003, for procurement and research, development, test and evaluation funds provided in this Act for fiscal year 2004. The conferees believe the Defense Department needs to provide more convincing arguments if it expects the Committees to approve this change permanently. The conferees also want to be clear that the approved below threshold reprogramming limitations are the specific dollar threshold allowed for fiscal year 2003, or 20 percent of any specific line item, which ever is less.

The conferees direct that the Secretary of Defense provide guidance to this effect to the military Services and Defense-Wide activities within 15 days of enactment of this Act and provide the congressional defense committees with a copy of this guidance.

TIMELINESS OF BUDGET JUSTIFICATION MATERIALS

The conferees concur with Senate Report 108-87 regarding the timeliness of budget justification materials received from the Department of Defense, and expect the problem to be resolved with the fiscal year 2005 budget estimate.

CLASSIFIED ANNEX

Adjustments to classified programs are addressed in the classified annex accompanying this report.

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ACCURACY OF OBLIGATIONS

The conferees recommend a reduction of \$115,000,000 to the budget request, based on a General Accounting Office (GAO) review of prior year unobligated and unexpended military personnel account balances. The Services certify the accuracy of present and prior year obligation balances annually; however, not all of the funds obligated are expended, and those unexpended balances are not always identified in the annual review certification process. Because the Services account data continue to show a pattern of underspending their appropriated funds, the conferees believe that the fiscal year 2004 military personnel budget request is overstated and can be reduced.

The conferees believe the Services can improve their appropriation balance review below the budget activity to ensure that funds are properly obligated and expended. The conferees direct the Secretary of Defense to ensure that the Services strengthen the annual review process by including a review of the accuracy of prior year appropriations below the budget activity level. To facilitate this review, the financial management improvement initiative should include financial decision-making processes that provide transparency of disbursements at the same level as the budget submission.

FAMILY SEPARATION ALLOWANCE AND IMMINENT DANGER PAY

The conferees recommend \$128,000,000 above the budget request for Family Separation Allowance and Imminent Danger Pay instead of \$210,205,000 as proposed by the Senate. These funds are provided for increases in Family Separation Allowance and Imminent Danger Pay as authorized in Public Law 108-11.

FORCE STRUCTURE CHANGES

The conferees recommend a total of \$147,100,000 in the military personnel, operation and maintenance, and procurement accounts for force structure that was not included in the budget request, as follows:

[In thousands of dollars]

	Milpers	O&M	Proc.	Total
Air Force B-52 aircraft	\$3,800	25,100	\$11,700	40,600
National Guard Full-Time Support:				
ARNG Civil Support Teams AGRs	18,000	39,300	26,900	88,200
ANG Civil Support Teams AGRs	4,000			4,000
Ground-Based Midcourse Missile Defense Program AGRs	14,300			14,300

ACTIVE END STRENGTH

[Fiscal year 2004]

	Budget	Conference	Conference vs. budget
Army	480,000	480,000	

Navy	373,800	373,800	
Marine Corps	175,000	175,000	
Air Force	359,300	359,300	
Total, Active Personnel	1,388,100	1,388,100	

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Pay and Allowances of Enlisted Personnel:

1050 Special Pays/Selective Reenlistment Bonuses -16,500

Other Adjustments:

3020 ONW/OSW/ODS CONOPS -74,169

3200 Unobligated Balances -32,500

3255 Increase in Death Gratuity 3,400

3260 Increase in FSA/IDP 79,000

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Pay and Allowances of Enlisted Personnel:

7350 Special Pays/Selective Reenlistment Bonuses -20,300

7450 Separation Pay -26,000

Other Adjustments:

9420 ONW/OSW/ODS CONOPS -1,203

9550 Unobligated Balances -11,000

9610 Increase in Death Gratuity 1,500

9620 Increase in FSA/IDP 20,000

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Pay and Allowances of Enlisted Personnel:

12400 Special Pays/Selective Reenlistment Bonuses	-1,800
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Other Adjustments:

14320 ONW/OSW/ODS CONOPS	-300
14560 Unobligated Balances	-8,000
14570 Increase in Death Gratuity	1,000
14575 Increase in FSA/IDP	9,000

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Other Adjustments:

19255 ONW/OSW/ODS CONOPS	-235,436
19620 Unobligated Balances	-40,000
19625 B-52 attrition reserve	3,800
19630 Increase in Death Gratuity	1,500
19635 Increase in FSA/IDP	20,000

NATIONAL GUARD AND RESERVE FORCES

The conferees agree to provide \$15,105,951,000 in Reserve personnel appropriations, \$14,296,667,000 in Reserve operation and maintenance appropriations, and \$400,000,000 in the National Guard and Reserve Equipment appropriation. These funds support a Selected Reserve end strength of 863,300 as shown below.

SELECTED RESERVE END STRENGTH

[Fiscal year 2004]

	Budget	Conference	Conference vs. budget
Selected Reserve:			
Army Reserve	205,000	205,000	
Navy Reserve	85,900	85,900	
Marine Corps Reserve	39,600	39,600	
Air Force Reserve	75,800	75,800	
Army National Guard	350,000	350,000	
Air National Guard	107,000	107,000	
Total	863,300	863,300	
AGR/TARS:			
Army Reserve	14,374	14,374	
Navy Reserve	14,384	14,384	
Marine Corps Reserve	2,261	2,261	
Air Force Reserve	1,660	1,660	
Army National Guard	25,386	25,595	+211
Air National Guard	12,140	12,193	+53
Total	70,205	70,469	+264
Technicians:			
Army Reserve	7,594	7,594	
Air Force Reserve	10,081	10,081	
Army National Guard	26,189	26,189	
Air National Guard	23,156	23,156	
Total	67,020	67,020	

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Other Adjustments:

23900	Unobligated Balances	-5,000
23950	Reserves Cost Avoidance	-10,000

23955 Increase in Death Gratuity 100

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Other Adjustments:

25060	ONW/OSW/ODS CONOPS	-826
25300	Unobligated Balances	-5,000
25370	Reserves Cost Avoidance	-20,000
25380	Increase in Death Gratuity	400

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Other Adjustments:

26600	Unobligated Balances	-2,000
26650	Reserves Cost Avoidance	-14,000

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Other Adjustments:

27900 Unobligated Balances	-4,000
27910 Reserves Cost Avoidance	-40,000
27920 Increase in Death Gratuity	200

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Other Training and Support

28800 Administration and Support/Full Time Manning for AGRs	37,800
28800 Administration and Support/Civil Support Teams AGRs	18,000
28800 Administration and Support/Ground-Based Midcourse Missile Defense AGRs	14,300

Other Adjustments:

29350 Unobligated Balances	-5,000
29410 Reserves Cost Avoidance	-50,000
29430 Mobilized AGRs	-30,000
29435 Lewis and Clark Bicentennial Activities	750
29440 Increase in Death Gratuity	200

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Other Training and Support

30150 Administration and Support/Civil Support Teams AGRs	4,000
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Other Adjustments:

30550 Unobligated Balances	-2,500
30600 Reserves Cost Avoidance	-50,000

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TRAVEL OF MILITARY DEPENDENTS

The conferees are concerned that spouses and dependents of deployed military personnel often do not have the financial means to visit their family members. Such travel could help ease the difficult burden of managing a household. The conferees direct the Secretary of Defense to submit a proposal for a program that would provide travel assistance to spouses and dependents of deployed military personnel. This proposal is to be submitted to the congressional defense committees before presentation of the fiscal year 2005 budget estimate.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

250 Modular Lightweight Load-Carrying Equipment (MOLLE)	1,800
250 Hydration on the Move System Basic/Chemical/Biological	1,000
250 Expandable Light Air Mobility Shelters	5,100
250 Clear Water Rinse Facility	2,000
250 Extended Cold Weather Clothing System (ECWCS)	3,000
250 Fort Riley Readiness	1,800
450 SBCT Implementation	30,000
550 C4I O&M requirements transferred from OPA	22,262
550 Enhance Urbanized Training at Fort Irwin and Support JNTC Initiatives	3,000
750 Training and Support Facilities	6,800
750 Army Worker Safety Program Expansion	5,100
750 Feasibility Study for Homeland Defense and National Security Applications at Watervliet Arsenal	450
750 Fort Knox University of Mounted Warfare Campus Area Network infrastructure	1,200
750 Repave Road to Ammo Facility at Fort Benning	3,000
750 Realign BOS/FSRM resources to BA-1	80,110
750 Realign BOS/FSRM resources to BA-1	819,604
750 Realign BOS/FSRM resources to BA-1	238,993

750 Realign BOS/FSRM resources to BA-1	1,194,134
800 Army Chapel Renovation Matching Funds Program	1,200
800 Realign BOS/FSRM resources to BA-1	6,933
800 Realign BOS/FSRM resources to BA-1	61,096
800 Realign BOS/FSRM resources to BA-1	392,550
800 Realign BOS/FSRM resources to BA-1	260,288
850 Deployable C4ISR	1,000
850 Network and IT Infrastructure Capabilities	7,900
850 PACMERS	5,800
950 Joint POW/MIA Accounting Command (JPAC) (transferred to OMN)	-26,600
950 Northern Edge Realignment of funds (transferred to OMN)	-2,000
Budget Activity 2: Mobilization:	
1200 Quadrangle Containers	2,800
1325 Realign BOS/FSRM resources to BA-1	-6,933
Budget Activity 3: Training and Recruiting:	
1650 Air Battle Captain Program	1,500
1700 Realign BOS/FSRM resources to BA-1	-80,110
1700 Realign BOS/FSRM resources to BA-1	-61,096
1850 Gauntlet Training and Instrumentation Facility Upgrade, Fort Knox	1,000
1850 U.S. Army Engineer School	2,800
1850 Military Police MCTFT Joint Training	1,000
1850 Satellite Communications for Learning (SCOLA) Language Training	2,000
1900 Army Aviation Transformation Training Initiatives (Flight School XXI)	2,500
1950 Civil Rights Education and History	2,000
2000 Defense Language Institute (DLI) LangNet Project	1,000
2000 Military Distance Learning Demonstration	1,000
2000 Fort Knox University of Mounted Warfare Classroom Automation Resources	1,000
2000 Online Technology Training Pilot Program in USARAK	2,500
2050 Realign BOS/FSRM resources to BA-1	-819,604
2050 Realign BOS/FSRM resources to BA-1	-392,550
2300 Shakespeare in American Military Communities	1,000
2350 Online Technology Training Pilot Program at Fort Lewis	1,400
2450 Realign BOS/FSRM resources to BA-1	-238,993
Budget Activity 4: Administration and Service wide Activities:	
2650 Classified	15,375
2800 Army Military Vehicle Batteries	1,400
2800 Pulse Technology—Army Battery Management Program	3,500
2800 TACOM electronic Maintenance System	1,000
2850 Integrated Digital Environments (IDE) Information Portal	1,000

2850 Corrosion Prevention and Control Program	4,800
2850 Field Pack-Up (FPU) System	1,800
2850 Skidsteer Loaders	6,000
2850 Regional Agile Port Intermodal Distribution (RAPID)	1,000
3050 C4I O&M Requirements (transferred from OPA)	671
3050 Army Knowledge Online	3,500
3050 Army Knowledge Online Labs in Korea	500
3150 Servicemembers Benefit Analysis Online (SMBAOnline)	3,500
3200 Army Conservation and Ecosystem Management	3,000
3200 Centralized Range Residue Recycling Facility (CRRRF)	1,500
3200 Fort Wainwright CHPP Renovation	18,700
3200 Fort Wainwright Utilidor Repair	9,000
3200 Rock Island Arsenal Bridge Repairs	2,450
3200 Tanana Flats Training Area Cleanup Program	500
3350 Realign BOS/FSRM resources to BA-1	-
	1,194,134
3400 Realign BOS/FSRM resources to BA-1	-260,288
Undistributed:	
3710 Classified Programs	177,000
3720 Memorial Events	400
3970 Un-obligated Balance	-51,500
4090 Southwest Asia CONOPS Costs	-200,304
4100 Administration and Service wide Activities	-33,000
4110 Civilian Pay Overstatement	-21,900
4120 WMD Civil Support Teams	23,300

REALIGNMENT OF BASE OPERATIONS SUPPORT (BOS) AND FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (FSRM) RESOURCES

The conferees concur with Senate Report 108-87 regarding the realignment of BOS and FSRM resources, which will allow for more careful management of installation resources and better oversight. However, rather than create a new budget activity, the conferees have consolidated Army BOS and FSRM resources in budget activity one, as detailed in the table above.

SERVICEMEMBERS BENEFIT ANALYSIS ONLINE (SMBA ONLINE)

The conferees have provided an additional \$3,500,000 in Operation and Maintenance, Army for a pilot program to implement and evaluate this unique benefit analysis system. The conferees direct the Assistant Secretary of Defense (Force Management Policy) to report on the implementation and benefits of this pilot program, and submit this report to the congressional defense committees before presentation of the fiscal year 2005 budget.

STRYKER BRIGADE COMBAT TEAM (SBCT) IMPLEMENTATION

The conferees have included an additional \$30,000,000 only to provide equipment and fielding of SBCTs, with appropriate consideration given to entities that are located in the same geographical region as the fielded SBCT, to include analytical and logistics support.

RECRUITING AND ADVERTISING

The conferees direct that no less than \$6,000,000 of the funds provided for Operation and Maintenance, Army be used to maintain existing production efforts directed toward certain audiences, including Hispanic recruits.

ARMY WORKER SAFETY PROGRAM EXPANSION

The conferees are pleased with the progress of the Army's safety initiative underway at Fort Bragg and at the Watervliet Arsenal, and encourage the Secretary of the Army to expand the initiative to other Army installations. The conference agreement provides an additional \$5,100,000 in Operation and Maintenance, Army to enhance and expand the current safety initiative for U.S. Army civilian and military personnel.

INTEGRATED DIGITAL ENVIRONMENTS INFORMATION PORTAL

The conference agreement provides an additional \$500,000 in Operation and Maintenance, Army only for the Program Executive Officer (PEO) Ground Combat Systems at TACOM to expand the use of the eBusiness Portal IDE's among all their weapon program managers and the Army's Research and Development command structure. The conference agreement also provides an additional \$500,000 in Operation and Maintenance, Army only for AMCOM's Prototype Integration Facility to expand an IDE environment in order to streamline rapid prototyping and the airworthiness qualification and release process. The Secretary of the Army shall provide a report to the congressional defense committees no later than March 31, 2004, evaluating the effectiveness of IDEs as weapon program management tools and the advantages they may provide to weapon program stakeholders throughout the life cycle.

ENHANCE URBANIZED TRAINING AT FORT IRWIN AND SUPPORT FOR JNTC INITIATIVES

The conference agreement provides an additional \$3,000,000 in Operation and Maintenance, Army only to improve training at the National Training Center, as follows: \$750,000 for NTC MOUT training; \$750,000 for NTC training; and \$1,500,000 for NTC anti-terrorism training.

TACONY WAREHOUSE

The conferees agree that of the funds made available in Operation and Maintenance, Army, \$10,000,000 be used only to demolish the Army's Tacony Warehouse. The conferees further instruct the Secretary of the Army to ensure that the reuse of the Tacony Warehouse site its consistent with proposals outlined in the City of Philadelphia's North Delaware Riverfront Redevelopment Plan.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

4400 CAST 70 Tester	1,000
4650 Navy Depot Production Processes Cycle Time Improvement	1,000
4650 Simulation Modeling Analytical Support System (SMASS)	1,200
4650 Computer Automatic Tester and Radar Communication Automatic Test Equipment (CAT&RAD COM)	5,100
4650 Vertical Lift	1,000
4850 Photonic Sensor Marine Gas Turbine Engine Condition Based Maintenance	3,500
5000 Cruiser Modernization (transferred from SCN)	8,200
5050 Apprentice, Engineering Technician and CO-OP Program IMF Bangor	1,100
5050 Apprentice, Engineering Technician and CO-OP Program NUWC Keyport	1,400
5050 Naval Shipyard Apprenticeship Program	1,700
5050 PHNSY Support	10,000
5250 Collaborative Information Warfare Network SPAWAR Charleston	2,500
5250 Manufacturing Technical Assistance and Production Program (MTAPP)	2,100
5400 Warfare Tactics unjustified growth	-3,000
5400 Northern Edge Realignment of funds (transferred from OMA, OMAF)	2,800
5500 Combat Support Forces unjustified growth	-21,700
5500 Hydration on the Move System Basic/Chemical/Biological	1,000
5500 Center of Excellence for Disaster Management and Humanitarian Assistance	4,300
5550 Manual Reverse Osmosis Desalinators (MROD) Testing, Repair and Replacement	1,400
5950 Mark-45 5 Gun Depot Overhauls	12,000
6210 Pier 3 Restoration at Puget Sound Naval Shipyard	6,000
6210 Realign BOS/FSRM resources to BA-1	201,993
6210 Realign BOS/FSRM resources to BA-1	98,108
6210 Toledo Shipyard Improvement Plan	1,000
6220 Critical Asset Vulnerability Assessment, Navy Region NW	1,400
6220 Northwest Environmental Resource Center	4,900
6220 Realign BOS/FSRM resources to BA-1	373,377
6220 Realign BOS/FSRM resources to BA-1	253,344
6220 Integrated Safety Management System Expansion	2,800

6220 Combating Terrorism Database System (CTDS)	1,000
Budget Activity 2: Mobilization:	
6350 Ship Prepositioning and Surge unjustified growth	-10,000
6350 Deployment/Mobilization Hub Study, New Orleans NAS/JRB	300
6500 Ship Disposal Program	7,000
Budget Activity 3: Training and Recruiting:	
7200 Specialized Skill Training unjustified growth	-10,000
7200 Blended Learning Initiative/Specialized Skill Training	2,800
7200 Pier-Side Tactical and Simulation Training	1,000
7350 Training Support unjustified growth	-15,000
7350 Prototype System for Embedded Training and Performance Support—CNET	300
7350 Naval Post Graduate Institute for Service to America	4,300
7350 Center for Defense Technology and Education for the Military Services	4,000
7550 Vital Learning Recruitment/Retention Screening Test Program	1,000
7600 Continuing Education Distance Learning	1,000
7700 Naval Sea Cadet Corps	1,500
7820 Realign BOS/FSRM resources to BA-1	- 201,993
7830 Realign BOS/FSRM resources to BA-1	- 373,377
Budget Activity 4: Administration and Servicewide Activities:	
8200 Joint POW/MIA Accounting Command (JPAC) (transferred from OMA)	26,600
8250 Mobile UHF DAMA Training Program	1,000
8250 Configuration Management Information System (CMIS)	6,500
8250 Navy Critical Infrastructure Protection	2,200
8250 SPAWAR Information Technology Center	2,400
8550 Planning, Engineering and Design unjustified growth	-11,000
8700 Advanced Technical Information Support (ATIS)	1,000
8700 Flame Contaminant Detection System (FCDS)	1,500
9000 Classified	10,460
9220 Realign BOS/FSRM resources to BA-1	-98,108
9230 Realign BOS/FSRM resources to BA-1	- 253,344
Undistributed:	
9440 Un-obligated Balance	-99,000
9540 Southwest Asia CONOPS Costs	-75,592
9550 Administration and Servicewide Activities	-52,000
9560 PACOM Theater Joint C4 Capability	3,000

**REALIGNMENT OF BASE OPERATIONS SUPPORT (BOS) AND FACILITIES
SUSTAINMENT, RESTORATION AND MODERNIZATION (FSRM)**

RESOURCES

The conferees concur with Senate Report 108-87 regarding the realignment of BOS and FSRM resources, which will allow for more careful management of installation resources and better oversight. However, rather than create a new budget activity, the conferees have consolidated Navy BOS and FSRM resources in budget activity one, as detailed in the table above.

NAVAL SHIPYARD APPRENTICE PROGRAM

The conferees have included an additional \$1,700,000 in Operation and Maintenance, Navy for the Naval Shipyard Apprentice Program, bringing total funding for that program to \$30,580,000. The conferees direct the Navy to induct classes of no fewer than 125 apprentices, at each of the naval shipyards during fiscal year 2004. The conferees further direct the Navy to include the costs of the fiscal year 2005 class of apprentices in the FY 2005 budget request.

BLENDED LEARNING INITIATIVE/SPECIALIZED SKILL TRAINING

The conferees agree to provide an additional \$2,800,000 only for the Blended Learning Initiative to build multi-purpose electronic classrooms capable of delivering Integrated Learning Environment content for the United States Navy. Classrooms will incorporate traditional platform instruction, synchronous and asynchronous video, teletraining/video, teleconferencing, and web-based training.

NORTHERN EDGE REALIGNMENT OF FUNDS

The conferees concur with Senate Report 108-87 regarding the funds for Exercise Northern Edge, and recommend a realignment of funds into Operation and Maintenance, Navy. After this realignment, a total of \$4,700,000 is available in Operation and Maintenance, Navy to support Exercise Northern Edge. For fiscal year 2005 and subsequent years, the conferees direct the Secretary of Defense to provide funds in a similar fashion.

CONFIGURATION MANAGEMENT INFORMATION SYSTEM

The conferees provided an additional \$6,500,000 in Operation and Maintenance, Navy only for the Configuration Management Information System (CMIS). The funding should be used to further develop a knowledge management approach to maintenance planning processes using Configuration Management Information System data.

ALAMEDA POINT NAVAL STATION

The conferees are aware that the former Alameda Point Naval Station is currently being considered as a candidate for early transfer, based on the pending agreement between the Navy and the City of Alameda for reuse, development, and property preservation. The conferees are further aware that the Administrator of the EPA must approve the deferral of the CERCLA covenant. The conferees believe that early transfer of the land and associated facilities to the City of Alameda could serve as a model for military base conversion in an urban environment. Accordingly, the conferees expect the Secretary of the Navy and the

Administrator of the Environmental Protection Agency to work cooperatively to achieve this early transfer in the most expeditious manner possible.

REPAIR OF MILITARY SEALIFT COMMAND SHIPS

The conferees are concerned that a disproportionate number of Military Sealift Command (MSC) ships are being repaired in foreign shipyards. The Secretary of the Navy is directed to provide a report to the congressional defense committees which describes the Navy's policy for repairing MSC ships in foreign shipyards, analyzes trends in funding for and level of repair work done on MSC ships in foreign and domestic yards, and reviews the consequences of reallocating MSC ship repair work to domestic shipyards. The report should be submitted no later than April 15, 2004.

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ADJUSTMENTS OF BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

10050 Modular General Purpose Tent System (MGPTS)	1,800
10050 Hydration on the Move System Basic/Chemical/Biological	1,000
10050 Marine Corps U.S. Made Bayonets	3,000
10050 All Purpose Environmental Clothing System (APECS)	3,000
10050 Chem Bio Incident Response Force (CBIRF)	1,400
10050 Mountain/Cold Weather Clothing and Equipment Program (MCWCEP)	1,400
10100 Corrosion Prevention and Control Program	2,500
10100 Lightweight Maintenance Enclosure	1,000
10100 USMC Albany, MATCOM Life Cycle Management	1,000
10100 Depot Maintenance of Radar Systems	4,300
10200 Training and Support Facilities	9,400
10250 Adobe Road Twentynine Palms	3,800

Budget Activity 3: Training and Recruiting:

11000 Training Support unjustified growth	-3,000
11300 Marine Corps Junior ROTC Operating Costs	500

Budget Activity 4: Administration and Servicewide Activities:

11800 USMC COOP	6,800
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Undistributed:

12010 Un-obligated Balance	-5,700
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12020 Anti-Corison Programs	2,000
12040 Southwest Asia CONOPS Costs	-533

MARINE CORPS LOGISTICS SYSTEM UPGRADES

The conferees direct that of the funds made available in Operation and Maintenance, Marine Corps, \$3,000,000 be used only for upgrades to Marine Corps Logistics Systems.

MARINE CORPS TACTICAL SYSTEMS SUPPORT ACTIVITY (MCTSSA) COMBAT SERVICE SUPPORT ELEMENT

The conferees direct that of the funds made available in Operation and Maintenance, Marine Corps, \$3,000,000 be used only for the continuing efforts of the Marine Corps Tactical System Support Activity (MCTSSA) to build out the combat service support element of the System Integration Environment.

HMMWV TIRES

The conferees direct that of the funds made available in Operation and Maintenance, Marine Corps, \$3,000,000 be used only for the purchase of HMMWV tires.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

12600 Extended Cold Weather Clothing System (transferred to OM,ANG)	0
12600 Hydration on the Move System Basic/Chemical/Biological	1,000
12600 F-16 Distributed Mission Training: Night Vision Goggle Enhancement	4,300
12600 B-52 Attrition Reserve	25,100
12750 Air Operations Training efficiencies in contract support	-10,000
12750 F-16 Simulator Motion Upgrade Program	1,000
12900 Aircraft Defect Detection and Performance Management Application	250
12800 11th Air Force Server Consolidation	1,000
12900 Super Typhoon Pongsona Recovery	2,000
12900 Replace Fire Alarm System Base-wide, Columbus AFB (transferred to OPAF)	0
13000 Eagle Vision Program	1,000
13050 University Partnership for Operational Support (UPOS)	2,500

13150 Northern Edge realignment of funds (transferred to OMN)	-800
13200 Management Support for Air Force Battle Labs	4,300
13200 Langley AFB Visitor Center	1,400
13550 Other Space Operations—limit growth in management headquarters	-10,000
Budget Activity 3: Training and Recruiting:	
14500 Repair Airfield Pavement, Auxiliary Field, Columbus AFB	3,400
14500 Sanitary Sewer System Repair, Phase 3 Columbus AFB	1,000
14700 Professional Development Education unjustified growth	-3,000
14700 Western Governors University	1,000
14750 Simulations Training for Integrating DoD WMD and Civilian Response Systems	2,800
15100 Civilian Education and Training unjustified growth	-4,000
Budget Activity 4: Administration and Servicewide Activities:	
15350 Logistics-Systems Management and Retrieval Technology (L-SMART) Information System	2,500
15400 Air Force Operational Test and Evaluation Center (AFOTEC) IT Infrastructure and Training	1,000
15400 Wear Debris Data Repository	4,250
15450 Hickman AFB Alternative Fuel Vehicle Program	2,600
15650 Eielson AFB Utilidor Repairs	9,000
15650 Nikolski Power House Clean-up	1,700
15750 Elmendorf AFB Community Center Enhancements	500
15800 Joint Combined Aircrew Tester	1,000
15800 MBU-20/P Oxygen Mask	2,100
16100 William Lehman Aviation Center	750
16250 Security Programs	-4,000
Undistributed:	
16600 Threat Representation and Validation (TR&V)	1,100
16620 Information Assurance Initiative for Air Force Materiel Command	1,100
16630 Un-obligated Balances	-17,600
16700 Southwest Asia CONOPS Costs	- 707,550
16710 Administration and Servicewide Activities	-30,000
16720 Base Operations Support	- 150,000
16730 Civilian Pay Overstatement	-37,600
16740 Demonstration Projects for Contractors Employing Persons with Disabilities	1,400
16750 Joint Personnel Recovery Agency	2,800
16760 Feasibility Study of Biennial International Air-Trade Show	1,000
16770 People Movers	500

FEASIBILITY STUDY OF BIENNIAL INTERNATIONAL AIR-TRADE SHOW

The conference agreement provides an additional \$1,000,000 in Operation and Maintenance, Air Force only to provide assistance to a community, to be selected by the Secretary of Defense, for expenses of a study by that community of the feasibility of the establishment and operation of a biennial international air-trade show in the area of the community, and to support initial implementation of the international air-trade show. The conferees expect that a competitive process will be used to select the community, and that preference will be given to communities that already sponsor an air show, have demonstrated a history of supporting air shows with local resources, and have a significant role in the aerospace community.

F-16 SIMULATOR MOTION UPGRADE PROGRAM

The conferees have provided an additional \$1,000,000 in Operation and Maintenance, Air Force, to be used only for phase 1 integration and testing of a pneumatic tactical motion control system for the ACES II ejection seat in the F-16 Mission Training Center.

PEOPLE MOVERS

The conferees have provided an additional \$500,000 in Operation and Maintenance, Air Force, to be used only to purchase 50 self-balancing, non-tandem, wheeled individual transportation devices to evaluate military utility of such devices at Tinker Air Force Base for a variety of military functions.

CONTAMINANT AIR PROCESSING SYSTEMS

The conferees commend the Air Force for standardizing mission critical equipment that allows Air Force personnel to be effectively processed after contact with biological, chemical or nuclear agents. The conferees encourage the Secretary of the Air Force to purchase contaminant air processing systems and related components to ensure all Air Force installations are standardized in this methodology and equipment.

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ADJUSTMENTS TO BUDGET ACTIVITIES

The adjustments to the budget activities for Operation and Maintenance, Defense-Wide are shown below:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

17050 TJS—Combating Terrorism Readiness Initiative Fund	-5,000
17100 SOCOM—Hydration on the Move System Basic/Chemical/Biological	1,000
17100 SOCOM—Knowledge Superiority for Transitional Warfighter Project (continuation only)	1,700

17100 SOCOM—COCOM's TSOCs and CENTCOM CRE	15,406
17100 SOCOM—ONW/OSW/ODS Conops	-15,406
17100 SOCOM—SOCOM Flying Hour Program	23,466
Budget Activity 3: Training and Recruiting:	
17460 DAU—Distance Learning and Performance	2,600
17480 DHRA—Joint Advertising Market Research and Studies Program	7,500
Budget Activity 4: Administration and Servicewide Activities:	
17750 CMP—Challenge/Starbase	5,000
17750 CMP—Innovative Readiness Training Program	5,000
17775 Classified Programs	-
	101,832
17800 DISA—ONW/OSW/ODS Conops	-57,105
17800 DISA—Excessive Growth	-35,000
17925 DLA—Defense Policy Analysis Office	-15,700
17925 DLA—Theater Support Center Feasibility Study	1,000
17975 DODEA—Jason Foundation	800
17975 DODEA—I-Safe	1,000
17975 DODEA—Lewis Center for Educational Research	3,000
17975 DODEA—Family Advocacy Program	22,000
17975 DODEA—Technology Training in Military Schools (only to provide DODEA teachers and administrators professional development training in classroom technology)	500
17975 DODEA—Professional Development Project for DoDEA (only for improving instruction for students with Dyslexia)	1,200
17975 DODEA—DoDEA Mathematics and Technology Teachers Development	1,000
17975 DODEA—Galena IDEA Distance Learning Program	5,000
18025 DSCA—Counterterrorism Training and Equipment	-
	200,000
18050 DSS—Program Justification	-12,500
18075 DTRA—ONW/OSW/ODS Conops	-1,056
18100 OEA—George AFB	3,400
18100 OEA—Norton AFB	3,400
18100 OEA—Bayonne Military Ocean Terminal	4,200
18100 OEA—Cecil Field	1,200
18100 OEA—Charles Melvin Price Support Center	1,000
18100 OEA—CCAT	4,500
18100 OEA—March Joint Powers Authority—Arnold Heights Reuse Project	1,000
18100 OEA—Hunters Point Naval Shipyard	2,200
18100 OEA—Asbestos Removal at Eaker AFB	250
18100 OEA—UCHSC—DCH Fitzsimons Medical Center	6,000
18100 OEA—Hangar Renovation at Griffis AFB	500
18100 OEA—McClellan AFB Remediation	4,900

18100 OEA—Port of Anchorage Intermodal Marine Facility Project	5,000
18100 OEA—Environmental Study of the former NIKE Missile Site	250
18100 OEA—David's Island Fort Slocum Remediation	1,500
18100 OEA—Fibers Cleanup at Front Royal	6,000
18100 OEA—Knollwood Special Care Unit	1,500
18125 OSD—Public Affairs	-10,000
18125 OSD—Information Support to SO/LIC	-13,000
18125 OSD—Net Assessment	-5,000
18125 OSD—Office of Force Transformation	-1,200
18125 OSD—OSD Contract and Support	-10,000
18125 OSD—PA&E Long Range Planning	-2,579
18125 OSD—Base Information System	-10,000
18125 OSD—C4I Program Growth	-30,000
18125 OSD—AT&L Program Growth	-30,000
18125 OSD—Middle East Regional Security Program	1,400
18125 OSD—Study on Internet and Wireless Technology	1,000
18125 OSD—Arctic Military Environmental Cooperation Program	2,500
18125 OSD—Command Information Superiority Architectures	1,000
18125 OSD—Export Control Information to Foreign Countries	1,400
18125 OSD—Young Patriots Program (National Flag Foundation to expand the Young Patriots Program to include a video which promotes the significance of National Patriotic Holidays)	1,000
18125 OSD—Asia—Pacific Regional Initiative	14,000
18125 OSD—Employer Support of the Guard and Reserve (ESGR)	2,000
18125 OSD—Information Assurance Scholarship Program	2,100
18125 OSD—Dedicated Fiber Optic Network	1,500
18125 OSD—OSD/CSIS Beyond Goldwater-Nichols Study	1,000
18200 TJS—NDU XXI	2,500
18200 TJS—NDU Technology Pilot Program	1,000
Undistributed:	
19010 Impact Aid	30,000
19015 Impact Aid for Children with Disabilities	5,000

FAMILY ADVOCACY PROGRAM

The conferees agree to provide an additional \$22,000,000 for the Department's Family Advocacy Program (FAP). These funds are to be used for the activities described under this heading in House Report 108-187. Of the additional amount provided for FAP, the conferees direct that \$900,000 be available to initiate the National Domestic Violence Hotline Awareness, Intervention, and Prevention Campaign in the military services.

BEYOND GOLDWATER-NICHOLS STUDY

The conferees agree to provide \$1,000,000 to the Office of the Secretary of Defense to support the comprehensive review of the management organization and procedures of the Department of Defense, to include the interagency process for pre- and post-conflict coordination, otherwise known as the “Beyond Goldwater-Nichols” study.

WOMEN IN MILITARY SERVICE IN AMERICA

The conferees urge that \$500,000 of the funds under the heading “Operation and Maintenance, Defense-Wide”, be made available for the Women in Military Service for America Memorial Foundation.

OFFICE OF ECONOMIC ADJUSTMENT

The conferees have transferred Environmental Study of Former NIKE Missile Site, David’s Island Fort Slocum Remediation and Fibers Clean-up Front Royal to the OEA account within Operation and Maintenance, Defense-Wide.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

19530 Extended Cold Weather Clothing System	4,200
19570 All Terrain Military Utility Vehicles	4,000
19570 Equipment Storage Site Initial Operation	1,000
19680 Base Support/Unfunded Requirements	40,000

Other Adjustments:

20190 Military Technicians Cost Avoidance	-7,000
20200 Controlled Humidity Protection	3,400
20210 Software Engineering Institute	1,000

CONTROLLED HUMIDITY PROTECTION

The conferees recommend \$3,400,000 above the budget request for implementation of the Controlled Humidity Protection program for critical equipment storage. Of the funds provided, \$1,700,000 is only for the U.S. Army Reserve 9th Regional Support Command.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustment to the budget activities is as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

21800 Littoral Surveillance System SCIF 1,000

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Other Adjustments:

25660 Military Technicians Cost Avoidance -12,000

25665 932nd Airlift Wing Operations and Training 12,200

AERIAL SPRAY SYSTEM

The conferees recommend \$1,000,000 from funds available for Operation and Maintenance, Air Force Reserve only for Aerial Spray System enhancements for the Youngstown, Ohio Air Station.

932ND AIRLIFT WING

The conferees recommend \$12,200,000 above the budget request for operations at the 932nd Airlift Wing, Scott Air Force Base, during fiscal year 2004. Of this amount, \$10,200,000 is to continue operations of C-9 aeromedical evacuation aircraft and \$2,000,000 is for aircrew training in support of a successor mission/airframe (such as the C-40). The conferees also recommend a general provision, section 8142, which directs the Secretary of the Air Force to study the current mission of this airlift wing, and evaluate the possibility of a mixed mission of transporting patients, passengers and cargo.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

26180 Extended Cold Weather Clothing System	3,000
26260 Military Vehicle Tires	1,000
26320 Cannon Bore Cleaning	1,000
26320 Communicator-Automated Emergency Notification System	1,100
26320 Ethan Allen Range Improvements	500
26420 Base Operations Support/Unfunded Requirements	30,000
26480 Sustain Fiscal Year 2003 Increase in Military Technicians	25,000

Budget Activity 4: Administration and Servicewide Activities:

26680 Information Operations Training and Operations	2,800
26680 Advanced Information Technology Services (AITS)	12,800
26680 Multimedia Security Technology	3,000

Other Adjustments:

26820 Angel Gate Academy	3,400
26830 National Emergency and Disaster Information Center	2,500
26890 Joint Training and Experimentation Program	4,200
26490 Rural Access to Broadband Technology	3,400
26970 National Guard Global Education Project	500
27010 Information Assurance	1,700
27057 Southeast Regional Terrorism Training	3,400
27090 National Response Center WMD Facility	1,500
27100 Advance Emergency Medical Response Training Program	1,500
27110 Homeland Operational Planning System	2,000
27130 Information Technology Leadership Program	1,700
27140 Advanced Information Technology Services C4ISR	1,400
27150 Expandable Light Air Mobility Shelters (ELAMS)	1,300
27160 Gas Chromatograph-Mass Spectrometers	300
27170 Domestic Emergency and Terrorist Response Information	1,700
27180 Northeast Counter-Drug Training Center	5,100
27190 Integrated Emergency Operations Center	3,400
27200 Weapons of Mass Destruction Education and Training	1,700
27310 Military Technician Cost Avoidance	-13,000
27320 Construction Transition Program	1,400
27330 Lewis and Clark Bicentennial Activities	250
27335 WMD Civil Support Teams	16,000

27340 Salute Our Services	2,000
27341 National Guard Tracking System	1,700

NORTHEAST COUNTER DRUG TRAINING CENTER

The conferees recommend \$5,100,000 above the budget request for the Northeast Counter Drug Training Center only to continue in-service evaluation of the CL-415 multi-mission aircraft.

CIVIL SUPPORT TEAMS

The conferees agree to provide funding for 12 additional National Guard Weapons of Mass Destruction Civil Support Teams (WMD-CST). The conferees believe that, as the National Guard begins establishing these new civil support teams, priority should be given to states facing significant port security and other coastal security challenges.

NATIONAL RESPONSE CENTER

The conferees applaud the success of the National Response Center WMD Consequence Management and Counter-Terrorism facility, which provides a unique training and equipment testing venue for local, state and federal agencies responsible for responding to WMD emergencies.

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ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:

27650 Defense Systems Evaluation Joint Test Support Program	1,000
27700 Surveying Systems	1,000
27700 All Terrain Military Utility Vehicles	1,400
27700 Extended Cold Weather Clothing System	1,400
27750 Base Support/Unfunded Requirements	30,000
27800 Facilities Sustainment, Restoration and Modernization/Rickenbacker Air National Guard Base	1,400

Budget Activity 4: Administration and Servicewide Activities:

28050 Information Assurance Activities	2,100
28050 IT Consolidation/Storage Area Network	2,100

Other Adjustments:

28160 National Guard State Partnership Program	2,100
28170 Project Alert	1,970
28290 Military Technicians Cost Avoidance	-
	18,000
28310 IT Consolidation	2,100

JEFFERSON PROVING GROUND

The conferees direct the Departments of the Army and the Air Force to finalize the real property instruments that would provide the Indiana Air National Guard the immediate use of the 50-acre laser bombing range located at Jefferson Proving Ground in southeastern Indiana.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER ACCOUNT

The conference agreement provides \$5,000,000 for the Overseas Contingency Operations Transfer Account.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

The conference agreement provides \$10,333,000 for the United States Court of Appeals for the Armed Forces.

ENVIRONMENTAL RESTORATION, ARMY

The conference agreement provides \$396,018,000 for Environmental Restoration, Army.

ENVIRONMENTAL RESTORATION, NAVY

The conference agreement provides \$256,153,000 for Environmental Restoration, Navy.

WALKER RIVER PAIUTE TRIBAL LANDS

Not later than September 30, 2004, the Secretary of the Navy shall report to the congressional defense committees on the impact of naval aircraft live ordnance training on the lands of Walker River Paiute Tribe in Nevada since the establishment of the training area currently known as Bravo 19 in support of Fallon Naval Air Station. The report should also include the estimated fair market value and remediation costs associated with the environmental impact to the tribal lands.

ENVIRONMENTAL RESTORATION, AIR FORCE

The conference agreement provides \$384,307,000 for Environmental Restoration, Air Force.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

The conference agreement provides \$24,081,000 for Environmental Restoration, Defense-Wide.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

The conference agreement provides \$284,619,000 for Environmental Restoration, Formerly Used Defense Sites, instead of \$221,369,000 as proposed by the House and \$312,619,000 as proposed by the Senate.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The conference agreement provides \$59,000,000 for Overseas Humanitarian, Disaster, and Civic Aid.

FORMER SOVIET UNION THREAT REDUCTION

The conference agreement provides that \$10,000,000 of the funds appropriated under this heading shall be available only to support the dismantling and disposal of nuclear submarines, submarine reactor components, and warheads in the Russian Far East, as proposed by the Senate. The House bill did not address this matter.

The House report provided that \$39,400,000 requested for the Proliferation Prevention Initiative (PPI) be redirected for the elimination of strategic nuclear delivery systems and for the establishment of on-site management offices. The Senate report did not address this matter. The managers direct that not to exceed \$29,400,000 be made available for the PPI, and that the remaining funds be allocated as indicated in the House report. In addition, the managers direct that no funds shall be obligated for the Proliferation Prevention Initiative (PPI) until 15 days after the Under Secretary of Defense (Comptroller) reports in writing to the congressional defense committees on the following: (1) the degree to which the PPI is fully consistent with the authorization for, and core functions of, the Cooperative Threat Reduction (CRT) program; and (2) an explanation of how each proposed PPI country program leverages, rather than duplicates or replaces, other U.S. government programs.

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LEAD SYSTEM INTEGRATOR

The conferees direct the Undersecretary of Defense for Acquisition, Logistics, and Technology to submit a report to the congressional defense committees within 120-days of enactment of the fiscal year 2004 Defense Appropriations Act on steps the Department of Defense has taken to ensure that the Lead Systems Integrator (LSI) contracting mechanism maintains adequate safeguards. The report should include a thorough review of how the Department intends to assure that adequate firewalls exist between the parent company and the LSI entity on active contracts.

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STRYKER BRIGADE COMBAT TEAM

In order to enhance Army transformation, the conferees agree to provide an additional \$35,000,000 to ensure fielding of the fifth and sixth Stryker Brigade Combat Teams (SBCT). The conferees direct that funding be made available specifically for the advanced procurement for the fifth SBCT, 2/25 Infantry Division and sixth SBCT, 56th ARNG Brigade. The Department of Defense shall ensure that future budgetary and programmatic plans provide for fielding no fewer than six SBCTs by 2008.

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STRYKER BRIGADE FIELDING INITIATIVE

The conferees have included \$85,000,000 for the acceleration and successful fielding of the Army's Stryker Brigades, beginning with the 3rd SBCT. This increased funding shall provide necessary equipment, logistics and other procurement items to ensure an on-time and adequately equipped fielding of the Army's SBCTs. The conferees direct the Secretary of the Army to submit a report to the Committees on Appropriations within 120-days of enactment of the fiscal year 2004 Defense Appropriations Act on the Army's plan to implement this funding guidance.

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E-2C AERODYNAMIC IMPROVEMENTS

The conferees are aware that the Navy has investigated the use of aerodynamic improvements such as strakes to obtain improvements in handling characteristics and wind-over-deck requirements of the E-2C thereby improving the safety and performance of this platform. The conferees urge the Navy to test and install boundary layer flow modifications to the E-2C using aerodynamic strakes.

USMC CH-46 ARMOR REPLACEMENT

The conferees agree to provide \$6,000,000 to procure lightweight armor for the CH-46. Replacing the existing steel armor with Kevlar will reduce the weight of the CH-46 by almost 400 pounds, enabling the aircraft to carry two additional combat loaded troops without degrading protection.

V-22

The conferees urge the Department of the Navy to set aside funds available in this Act for the V-22 Osprey aircraft procurement program for cost reduction measures, consistent with past practices and levels.

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TACTICAL TOMAHAWK

The conferees agree to provide a total of \$355,288,000 instead of \$485,588,000 as proposed by the House and \$272,288,000 as proposed by the Senate. In addition, the conferees agree that the Navy may procure 350 missiles with these funds instead of the 450 missiles recommended by the House and the 267 missiles recommended by the Senate.

The conferees do not agree to provide the \$25,000,000 as proposed by the House for tooling and testing equipment, understanding that this requirement will be accommodated from within funds previously made available to the Department of Defense as part of the Emergency Wartime Supplemental Appropriations Act (Public Law 108-11).

Multi-year procurement contracting authority. The conferees agree to approve the request for contracting authority for a multi-year procurement of the Tactical Tomahawk missile as proposed by the House.

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“VIRGINIA” CLASS SUBMARINE

The conferees agree to provide a total of \$1,511,935,000 as requested for full funding of the fiscal year 2004 *Virginia* Class submarine program as requested and proposed by the Senate instead of \$1,236,935,000 as proposed by the House. In addition, the conferees agree to provide a total of \$827,172,000 for the advance procurement of the future *Virginia* Class submarine program as proposed by the Senate instead of \$886,286,000 as proposed by the House. The recommendation for advance procurement assumes a reduction of \$59,000,000 for the fiscal year 2005 program as proposed by the Senate and a reduction of \$65,000,000 for each of the fiscal year 2007 and 2008 programs as proposed by the Senate.

The conferees agree with the views expressed by both the House and the Senate with respect to the Navy's request for the *Virginia* Class submarine.

Multi-year procurement contracting authority. The conferees agree with the Senate's proposal, approving multi-year procurement contract authority for one *Virginia* Class

submarine per year for the term of the five-years. The Navy's request to procure more than one submarine in fiscal year 2007 and 2008 is denied and the funds requested for advance procurement of materials for these additional submarines have not been appropriated.

The conferees did not lightly agree to the Navy's request for multi-year procurement for this program. The Navy's request for multi-year procurement in this instance is a significant departure from established practices and policies of the Department of Defense. The House and Senate Committees on Appropriations have maintained that multi-year procurement authority should be granted in situations in which the Service has accepted a fully tested and proven system and a production capability has been fully established. In the case of this system, the lead ship, christened August 16, 2003, has not been fully tested and will not be delivered to the Navy until late 2004.

In addition, multi-year procurement authority should be applied in situations in which the program management and costs have stabilized and significant (at least 10 percent) cost savings are guaranteed with approval of such authority. The conferees agree that the increasing costs (31 percent increase over the previous year's estimate) and limited cost savings (approximately 4 percent) for this program, would under customary rules, not allow for its consideration for multi-year procurement authority.

The conferees agree to deviate from traditional policy with respect to multi-year procurement authority in the case of the *Virginia* Class submarine with the expectation that such approval will serve to stabilize the program and reduce the overall costs to the government. Furthermore, the conferees agree that a multi-year contract for five submarines, or one per year, is in the best interests of the taxpayer. It is for these reasons that the conferees have provided multi-year procurement authority for the *Virginia* Class submarine. The Navy should note that the Committees on Appropriations will continue to closely monitor this program and may re-examine the decision to grant multi-year procurement authority if program milestones are not met or costs escalate.

Current contractual agreement. The conferees find that the current contractual agreement for the *Virginia* Class submarine that the Navy awarded in August 2003, referred to as the "block buy agreement," includes positive and negative aspects.

The signing of the block buy agreement committed the Navy to purchasing six submarines over five years, two to be purchased in fiscal year 2007, which is a clear violation of both the House and Senate fiscal year 2004 Department of Defense Appropriations bills (H.R. 2658 and S. 1382). Neither of these bills approved the procurement of two submarines in fiscal year 2007 or 2008. Further, while the block grant agreement is subject to appropriations, should Congress not provide an appropriation for two submarines in 2007, the agreement allows for a drastic increase in overhead rates at the affected shipyards, causing a significant retroactive cost increase to the four previously purchased vessels.

The conferees believe it was inappropriate for the Navy to enter into an agreement that disregarded Congressional views and subject taxpayers to additional costs should a future Congress choose not to purchase more than one submarine in 2007.

The conferees are pleased however, that the block grant agreement includes incentives for both the Navy and the commercial shipyards to meet schedule milestones and cost

limitations. The conferees believe that the incentives included in the block grant buy agreement should be the beginning point in any future contract negotiations for construction, overhaul, and maintenance of Navy vessels. The conferees strongly encourage the Navy to continue pursuing contractual arrangements that maintain cost and schedule milestones, understanding that these contracts also require the Navy to enforce discipline in its requirements process to ensure that requests for workload increases do not jeopardize agreed to cost and schedule milestones.

Information provided to Congress. The conferees agree with the Senate that the Navy must provide Congress with complete financial and program information on the *Virginia* Class submarine program.

CRUISER MODERNIZATION

The conferees agree to provide \$102,700,000 for the purpose of initiating a program to modernize and upgrade 22 *Ticonderoga* Class AEGIS Cruisers. The funds provided for the program have been transferred from the Shipbuilding and Conversion, Navy account to the Weapons Procurement, Other Procurement and Operation and Maintenance, Navy appropriations.

The conferees are pleased that the Navy has recently formalized the requirements and acquisition strategy for this program, but concur with the concerns expressed in the Senate report regarding upgrading, CG 71, one of the newest and most modern Cruisers in the fleet before upgrading legacy assets. The conferees agree the Navy should pursue a plan that would modernize the Baseline II or legacy fleet assets at a point earlier than the current strategy allows. Therefore, while the conference agreement includes funding for CG 71 to be the first vessel of the program, the conferees direct the Navy to revise its strategy to provide for an earlier modernization of the legacy Baseline II vessels and fully fund this revised strategy within the fiscal year 2005 budget request.

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THERMAL IMAGING SENSOR SYSTEM

The conferees are pleased with the progress that has been made on upgrading the Thermal Imaging Sensor System (TISS), which can provide significant increases in force protection. The conferees request the Navy consider increasing funds for TISS beyond the \$4,400,000 provided in this Act.

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TRANSPORT AIRCRAFT REQUIREMENTS

The conferees direct that not later than 180 days after enactment of this legislation, the Secretary of the Air Force shall provide a report to the congressional defense committees detailing a proposed approach for addressing official air travel requirements and prioritization of aircraft use associated with Special Air Missions. The report shall include the current retirement schedule of existing aircraft, preferred replacement aircraft types, quantities, acquisition alternatives for both new and used aircraft, corresponding total cost of operation, and base(s) of assignment.

U-2 ADVANCED SYNTHETIC APERTURE RADAR (ASARS)

The conferees agree with the concerns expressed by the House with respect to the ASARS program, amending to January 15, 2004, the date for which the requested report is due.

PREDATOR B UNMANNED AERIAL VEHICLE (UAV)

The conferees agree that the Air Force shall submit no later than December 1, 2003, a report that addresses the operational requirement for the Predator B UAV and a development and acquisition plan for achieving that operational requirement with a steady production rate by 2006.

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COMBAT TRAINING RANGES

The conferees have reduced the requests for Combat Training Ranges by \$4,200,000. Funding for this program has been reduced due to historically slow execution of program funds included in the request. The conferees expect that this reduction will be applied proportionately among the various non-Congressional interest items and activities within this program element.

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ADVANCED SEAL DELIVERY SYSTEM (ASDS)

The House provided the funds as requested for advance procurement for long lead items associated with the second ASDS, but directed that none of the funds be obligated before the first ASDS satisfactorily passes operational evaluation and before the Milestone C decision assessing affordability and effectiveness is completed. The Senate transferred the funds requested to Research, Development, Test & Evaluation, Defense-Wide. The conferees agree to provide the budget request for advance procurement and concur with the direction of the House. The conferees further direct that none of the funds provided may be

obligated or expended until 15 days after the Secretary of the Navy notifies the defense committees in writing of the Milestone C decision and provides a detailed report on the program's revised cost estimate and future budget requirements as validated by the Cost Analysis and Improvement Group.

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AIR NATIONAL GUARD

The Senate recommended a specific increase of \$20,000,000 for F-15 Engine Kits within the amounts provided to the Air National Guard. The House concurs and the conferees agree to provide \$20,000,000 for F-15 Engine Kits.

ITEMS OF SPECIAL INTEREST

The conferees agree that the National Guard and Reserve equipment program shall be executed by the heads of the Guard and Reserve components with priority consideration for miscellaneous equipment appropriations given to the following items: Air National Guard Threat Emitter, Handheld Standoff Mine Detection System, Lightweight Maintenance Enclosure, Intelligence Infrastructure, Improved Target Acquisition System, F-16 Block 42 Re-engining Program, RAID Helicopter Electro-Optical Sensor Upgrade, Common Bridge Transporter, Extended Cold Weather Clothing System, F-16 and A-10 LITENING AT Targeting Pod, M-COFT XXI, Theater Airborne Reconnaissance System, Expandable Light Air Mobility Shelters, Movement Tracking System, Laser Marksmanship Training System, Bladefold Kits for Apache Helicopters, Engineer Mission Modules for PLS, Tactical Firefighting Equipment, HMMWV, Up-Armored HMMWV, Construction Equipment SLEP, AN/PVS-7, AN/PVS-14, LITENING II, A-FIST XXI Simulation Trainers, A-FIST, AB/FIST Simulation Trainers, F-16 TARS/SAR, DFIRST, Abrams Sidecar, Sidecar Embedded Diagnostic Systems for M1A1 tanks, Combined Support Function Module Replacement Test Equipment for DSESTS (CSFM), Self-Loading Trailer, M-109A6 Paladin Rebuild, EST 2000, AF Reserve Command and Control Communications Systems Upgrade, JSTARs NRE for procurement of Re-engining, and FMTV.

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JOINT STRIKE FIGHTER (JSF)

The conferees agree to provide a total of \$4,322,623,000 for continued development and testing of the F-35, Joint Strike Fighter (JSF). This recommended level is \$43,200,000 below the budget request, \$88,800,000 above the level recommended by the House, and \$60,000,000 below the level recommended by the Senate.

The conferees agree to a reduction of \$54,000,000 for excessive management support, as proposed by the House, a reduction of \$56,000,000 and an increase of \$52,800,000, as proposed by the Senate, based on the inappropriate application of inflation adjustments, and an increase of \$14,000,000 for risk reduction on the F-136 interchangeable engine. The conference agreement to reverse the decision of the JSF program office with respect to the application of inflation adjustments, is based on the understanding that the “across the board inflationary adjustment” was applied disproportionately to the F-136 interchangeable engine development, resulting in a \$56,000,000 reduction to this development effort. The conference agreement redistributes this inflation adjustment to the entire program and restores \$52,800,000 to the engine development program, as proposed by the Senate.

WITHHOLDING OF RESEARCH AND DEVELOPMENT FUNDING

The conferees are concerned with the practice of withholding a percentage of research and development funding from programs, projects and activities. The conferees are also concerned that many Department of Defense organizations are charging “taxes” on funds that are appropriated to or pass through the control of the organization, and that the practices of withholding and “taxing” appropriated funds appears widespread throughout the research and development community, including headquarters, laboratories, and other research entities.

The conferees believe that the practice of altering the level of appropriated funds via administrative “withholds” or the administration of “taxes” without specific direction from the Congress, violates the intent of Congress.

The conferees, therefore, direct the Comptroller General to review all of the research and development appropriation accounts, at all levels, and submit a report to the House and Senate Committees on Appropriations, no later than March 1, 2004, that details what fiscal year 2003 and 2004 programs, projects and activities have been subject to administrative withholds and “taxes” and the programs, projects and activities to which these amounts were applied.

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FUTURE COMBAT SYSTEM

The conferees share the view expressed in the reports accompanying both the House- and Senate-passed versions of the fiscal year 2004 Department of Defense Appropriations bill that the Army must improve the structure of the budget estimates in support of the Future Combat System (FCS). Adding detail to the budget justification materials is essential to justify the requested level of funding which totals \$1,701,331,000 in fiscal year 2004 and \$13,243,904,000 over the Future Years Defense Plan (FYDP).

Accordingly, the conferees direct that the Army establish two separate program elements for the purpose of supporting the FCS budget estimates. One program element shall include funding estimates for the Non-Line of Sight Cannon and resupply vehicle

(NLOS-C). For fiscal year 2004, the conferees direct that \$353,242,000 of the funds requested for the FCS program be made available only for NLOS -C. The conferees recognize that NLOS-C is an element of the FCS system of systems and that development of NLOS-C must be coordinated with other elements of the FCS program. The conferees further direct that this program is a special interest item subject to prior approval reprogramming procedures for the cumulative value of transfers in excess of \$20,000,000. In addition, the conferees direct the Secretary of the Army to provide financial execution data on the NLOS-C element of FCS including, but not limited to: obligations, disbursements, and transfers.

The balance of the funding requested for fiscal year 2004, \$1,348,089,000, shall be divided into the following projects within a separate program element:

[In thousands of dollars]

Non-Line of Sight (NLOS) Launch system	102,971
Reconnaissance Platforms and Sensors	284,925
Unmanned Ground Vehicles	186,768
Unattended Sensors	17,432
Sustainment	139,239
Command and Control	334,730
Manned Ground Vehicles	282,024

The conferees direct the Secretary of Defense to provide 30 days prior notification to the congressional defense committees on the cumulative value of transfers in excess of \$20,000,000 into or out of these projects. In addition, the conferees direct the Secretary of the Army to provide quarterly financial reports to the congressional defense committees that include, but are not limited to obligations, disbursements, and transfers for each of these projects.

DEFENSE LANGUAGE INSTITUTE RESEARCH AND DEVELOPMENT

The conferees note that the Defense Language Institute (DLI) is funded primarily through the Operation and Maintenance, Army account. However, the conferees are aware that DLI often undertakes research and development work on technologies related to language, language learning, and curriculum development. Accordingly, the conferees urge the Secretary of the Army to establish a new program element code within the Research, Development, Test and Evaluation, Army account for the purpose of funding research and development efforts at DLI. The conferees also recommend that the Army provide a reasonable level of funding to support this effort from the resources provided in this Act.

ARMY MEMS-GPS/INS TECHNOLOGY DEVELOPMENT

The conferees agree to provide an additional \$8,500,000 to continue development and testing essential to achieve a low-cost inertial guidance system using high-g MEMS technology and producing an anti-jam "ultra-deeply coupled GPS/INS hardware/software system" from funding included for the Excalibur artillery program. The conferees expect this joint Army-Navy effort to be robustly funded in the fiscal year 2005 budget request and in the Future Years' Defense Program.

OBJECTIVE FORCE COST MODULE

In fiscal year 2003, the conferees provided \$3,600,000 to fund the initial development phase of the Objective Force Cost Module (OFCM), a cost analysis and estimating tool critical to the on-time and on-budget deployment of the Future Combat System (FCS). Given the positive development of the OFCM tool to date and continuing concerns that the FCS program keep its deployment and budget schedule, the conferees encourage to Army to continue fiscal year 2004 funding of the OFCM program with available FCS funds.

NEUROTOXIN EXPOSURE TREATMENT RESEARCH PROGRAM (NETRP)

The conferees are aware that the United States Army Medical Research and Materiel Command is conducting excellent research in investigating the underlying biologic mechanisms and therapeutic interventions of neurodegenerative effects caused by deployment, environmental and occupational exposures. Therefore, the conferees recommend \$26,000,000 for the continuation of this research into Parkinsons and other neurological disorders. The conferees note the success of the collaborative work between the military, a non-profit organization and an academic laboratory with distinguished scientific credentials in this field that has helped accelerate NETRP research and would urge the Army to continue its support of this effort.

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ANTI-SUBMARINE WARFARE (ASW) MASTER PLAN

The conferees agree with the House position on the Navy's development of the Anti-Submarine Warfare (ASW) Master Plan. The conferees request the Navy provide the House and Senate Committees on Appropriations with a full report of the results and recommendations of "Task Force ASW" as well as its plan for implementing the recommendations.

"S" BAND RADAR

The conferees have agreed to fund the Navy's "S" Band radar development as part of the DD(X) effort, as opposed to a separate development effort as proposed by the House. The conferees make this recommendation based on the Navy's decision to choose the "S" Band radar over its original recommendation of the "L" Band radar for DD(X).

COOPERATIVE ENGAGEMENT CAPABILITY (CEC)

The conferees understand that the Navy is potentially pursuing a new strategy for Cooperative Engagement Capability (CEC) development and system configuration. The conferees understand that no decision has yet been made to change the strategy as presented in the fiscal year 2004 budget request which calls for spiral development of hardware and software to a Block 2 configuration. The conferees understand that the Navy may potentially alter the development and acquisition strategy in such a manner as to affect the

Block 2 program presented in the fiscal year 2004 budget request.

The conferees agree that should the Navy determine an alternative strategy for CEC, the additional funds provided in this Act for CEC Block 2 may be merged with and be available for purposes similar to the purposes for which appropriated. The conferees further agree that the Navy shall ensure the House and Senate Committees on Appropriations are fully apprised of the Navy's plans relative to changes in the CEC acquisition strategy.

TAC AIR DIRECTED INFRA-RED COUNTER-MEASURE (TADIRCM)

The conferees agree with the House position with respect to the development of Tac Air Directed Infra-Red Counter-Measure (TADIRCM) and direct that an initial suitability assessment obtained through the Early Operational Assessment (EOA) be submitted to the House and Senate Committees on Appropriations within 60 days of completion of the EOA.

TACTICAL CONTROL SYSTEM FOR UNMANNED AERIAL VEHICLES

The conferees agree with the House position that the fiscal year 2004 request for the multi-Service Tactical Control System (TCS) for multi-Service UAV control, is focused on Navy-centric UAV systems that are neither multi-Service nor interoperable with other UAV programs. The conferees also agree the Navy has a requirement for a single system that will support the operation of multiple UAVs from both fixed and moving platforms and understand that the FireScout and Global Hawk Maritime Demonstration platforms, the focus of the 2004 TCS efforts, meet current Navy needs.

Therefore, the conferees direct the Navy to restructure the existing TCS program to focus on its requirements. The conferees agree to provide \$25,000,000 to support the continued development of the Navy's TCS program required to achieve this critical capability. The conferees direct that no fiscal year 2004 funds may be obligated or expended for TCS until the Navy submits a report to the House and Senate Committees on Appropriations, which details its plan for this restructured program. At a minimum, the report shall include the Navy's requirement for the TCS system, a plan to meet standards based on interoperability, and the Navy's UAV roadmap that justifies the requirement for TCS.

HELIOS REPLACEMENT

The conferees encourage the Office of Naval Research to examine developing a high altitude, long endurance unmanned aerial vehicle to replace the Helios in order to increase capabilities for high data rate communications and remote sensing.

FUTURE SIGINT REQUIREMENTS/JOINT ACS PROGRAM

The conferees are pleased that in reviewing its future SIGINT requirements, the Navy is pursuing a partnership with the Army in the development, testing, and procurement of a Joint multi-intelligence sensor and platform, the Aerial Common Sensor (ACS).

The conferees have provided \$4,000,000 for the Navy to initiate and pursue the development and fielding of this Joint ACS program. The conferees direct the Navy to

report to the House and Senate Committees on Appropriations by March 1, 2004, on its requirements and future acquisition plans for this program.

UNIFORMED SERVICES UAV REQUIREMENTS

The development and use of Unmanned Aerial Vehicles (UAVs) has become integral to each of the Uniformed Services warfighting and operational plans. In many instances, there are common requirements for these systems and similar technologies that can meet these requirements.

The conferees direct the Under Secretary of Defense for Acquisition, Technology and Logistics, in consultation with the Chief of Naval Operations, the Commandant of the Marine Corps, the Chief of Staff of the Army, the Chief of Staff of the Air Force, and the Commandant of the Coast Guard, to submit a report, no later than April 1, 2004, to the House and Senate Committees on Appropriations, which details the common UAV requirements for each of the Uniformed Services.

LITTORAL COMBAT SHIP

The conferees have included \$168,071,000 for continued research and development of the Littoral Combat Ship (LCS), the amount recommended by the House and \$10,000,000 above the amount recommended by the Senate.

The conferees agree with the House language regarding the need to refine the Navy's concept of operations in the littoral battlespace to ensure that there is no duplication of effort between LCS and other platforms. To this end, the conferees direct the Navy to provide a report to the House and Senate Committees on Appropriations, no later than March 1, 2004 that details the missions LCS will conduct in the littoral battle space, which platforms and systems currently conduct these missions, and what changes, if any, will be made to future years' budgets to eliminate any duplication of effort.

In addition, in order to maintain focus on the LCS' mission module development and integration, the conferees agree that \$51,000,000 of the funds provided for LCS is available only for these efforts.

UNFORESEEN IMPACT OF BASE OPERATIONS FUNDING ON FUTURE NAVAL RESEARCH LABORATORY ACTIVITIES

The conferees are concerned about changes in the management of base operations funding and its potential to adversely impact ongoing and emergent research activities. The conferees urge the Navy to be sensitive to the special nature of such research activities and to ensure sufficient flexibility to accommodate unforeseen research needs.

USE OF RESEARCH AND DEVELOPMENT FUNDING FOR SHIPBUILDING

The conferees agree with the Senate concerning the Navy's plans to fund the purchase of ships—DD(X) and LCS—in fiscal year 2005 within the Research, Development, Test and Evaluation (RDT&E) appropriation. The conferees believe that the use of research and development funding to procure first ships of a class is not in keeping with budgetary guidelines regarding full-funding. The conferees agree that should the fiscal year 2005

request include these ships—DD(X) and LCS—within RDT&E, all research and development acquisition rules shall apply, including technology readiness reviews, milestone decisions, and test and evaluation before these ships may transition to procurement.

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ELECTRONIC WARFARE TRANSITION PLAN

The Senate included report language on the Air Force's electronic warfare transition plan. The conferees remain concerned about this issue and expect the Air Force to work with the House and Senate Appropriations Committees to address the concerns raised in the Senate report.

F-15E SQUADRONS

The conferees have reduced funding for F-15E Squadrons by \$9,000,000. Activities in this program have continually had schedule delays of up to 2 quarters, and the account is a frequent source for reprogrammings and higher Air Force priorities. The conferees note that this reduction is taken only for the reasons stated and without prejudice against efforts to field Operational Flight Program Suite 5, which the conferees deem to be a high priority.

NEXT GENERATION BOMBER

The conferees have included \$45,000,000 for acceleration of a program to develop a next generation long-range strike bomber. Many technologies needed for development of a next generation bomber can also be demonstrated and incorporated in the existing bomber fleet. The conferees urge that from the funds provided for next generation bomber development, the Air Force give consideration to the design and demonstration of a data collection capability as an upgrade to the Defense Management System on the B-2 bomber.

LOW BANDWIDTH RURAL TELEMEDICINE (LBRTS) SYSTEM

The conferees encourage the Air Force to accelerate the deployment and integration of the Low Bandwidth Rural Telemedicine (LBRTS) System from seven years to three years to enhance the Air Force's telemedicine infrastructure. Any funding for this program shall be made available from program element 0602202F.

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TECHNOLOGY VENTURE CENTER

The conferees agree to provide \$1,600,000 for the Technology Venture Center in Montana and for an entrepreneurial training/virtual business incubator in Alaska using science and technology.

SPRAY COOLING MANUFACTURING ENGINEERING

The conferees are aware of the major contributions that DMEA's spray cooling program has made to a number of defense programs through its ability to allow commercial electronics to operate successfully in harsh military environments while reducing size and weight. The conferees urge the department to standardize spray cooling technology components and products to facilitate their migration to other military programs. Accordingly, the conferees have added funding above the president's request to continue its efforts to standardize this important technology. The conferees also encourage DMEA to continue its work with the services to increase service familiarity with this advanced technology.

TERRORISM INFORMATION AWARENESS (TIA)

The conferees agree with the Senate position which eliminates funding for the Terrorism Information Awareness (TIA) program within the Defense Advanced Research Projects Agency (DARPA). The conferees are concerned about the activities of the Information Awareness Office and direct that the Office be terminated immediately. The only research projects previously under the jurisdiction of the Information Awareness Office that may continue under DARPA are: Bio-Event Advanced Leading Indicator Recognition Technology, Rapid Analytic Wargaming, Wargaming the Asymmetric Environment, and Automated Speech and Text Exploitation in Multiple Languages (including Babylon and Symphony). The conferees find these programs are not components of TIA for the purposes of section 8131. The conference agreement does not restrict the National Foreign Intelligence Program from using processing, analysis and collaboration tools for counterterrorism foreign intelligence purposes.

CHEMICAL IMAGING FOR FOOD AND WATER SAFETY

The conferees are aware of recent research which rapidly measures the presence of pathogens in food and water by chemical imaging. Successful implementation of this technology will have a significant impact on the soldier in the field and can be applied to commercial uses as well. The conferees encourage the Department to consider further research in this field.

CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM

Within funds provided for the Chem-Bio Defense Initiatives Fund, the conferees recommend the creation of an end-to-end point of care based diagnostic network to combat terrorism. Funds should be distributed to partnerships that combine universities and non-profit institutes with industrial partners to insure rapid translation into clinical use.

GROUND-BASED MIDCOURSE DEFENSE

Additional funding is provided to the Ground-based Midcourse Defense program to procure additional Ground Based Interceptors at Fort Greely; to enhance security measures

to protect this strategic facility; and to accelerate installation of communications at Eareckson Air Station. The conferees direct the Director of the Missile Defense Agency to submit a report to the Committees on Appropriations within 120-days of enactment of the fiscal year 2004 Defense Appropriations Act on the Department's plan to implement this funding guidance.

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TITLE V—REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

The conferees recommend an appropriation of \$1,641,507,000 for the Defense Working Capital Funds instead of \$1,712,507,000 as proposed by the House or \$1,449,007,000 as proposed by the Senate.

DEFENSE WORKING CAPITAL FUND REDUCTIONS

The conferees concur with Senate Report 108-87 regarding the adequacy of budget justifications for the Defense Working Capital Funds. The conferees recommend a reduction of \$80,000,000 to the budget estimate, to be distributed only as follows:

Working Capital Fund, Defense-Wide	-\$40,000,000
Working Capital Fund, Air Force	-\$40,000,000

MEALS READY-TO-EAT (MRE) INVENTORIES

The conferees are concerned that the current MRE inventory does not provide adequate stock levels to meet documented war reserve requirements. While the Department has identified a war reserve requirement of 6.0 million cases of MRE's, current inventory is only 3.4 million cases. The conferees applaud the Defense Logistics Agency for identifying a higher MRE war reserve requirement to improve the Department's long-term MRE war reserve requirement to improve the Department's long-term sustainment posture. The conferees direct the Secretary of Defense to fund that increase requirement in the Department's fiscal year 2005 budget submission, with the goal of a full war reserve inventory of MREs by fiscal year 2006.

NATIONAL DEFENSE SEALIFT FUND

The conferees agree to provide \$1,066,462,000 for the National Defense Sealift Fund, \$3,700,000 above the budget request for the conversion of a former Naval vessel into a training ship for the Great Lakes Maritime Academy. The conferees further agree that within funds made available in the National Defense Sealift Fund, \$6,500,000 is available only for the construction of additional sealift capacity.

The conference agreement fully funds the construction of the T-AKE program as requested.

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DHP REPROGRAMMING PROCEDURES

The conferees remain concerned regarding the transfer of funds from DoD military medical treatment facilities (MTFs) to pay for contractor-provided medical care. To limit such transfers within the Defense Health Program operation and maintenance account, the conferees have included bill language designating Private Sector Care under the TRICARE program as a separate sub-appropriation within the Defense Health Program. Any transfer of funds into or out of the Private Sector Care sub-appropriation will require the Department of Defense to follow prior approval reprogramming procedures.

MYELOPROLIFERATIVE DISORDERS RESEARCH

The conferees recommend \$4,250,000 for research into the specific chronic myeloproliferative disorders of the polycythemia vera, idiopathic myelofibrosis, and essential thrombocytosis. These disorders of the bone marrow are malignant diseases that offer great research promise with respect to the behavior of human blood cells. The conferees direct that the Secretary of Defense, in conjunction with the service Surgeons General, select basic or translational medical research projects of clear scientific merit and of direct relevance to military health.

PEER REVIEWED MEDICAL RESEARCH PROGRAM

The Senate recommended \$50,000,000 for a Peer Reviewed Medical Research program. The conferees agree to provide \$50,000,000 for this program, and recommend the following projects as candidates for study: amyotrophic lateral sclerosis; alcoholism research; anti-diarrhea supplement; blood-related cancer research; childhood asthma; chronic pain research; epilepsy research; geneware rapid vaccine development; interventional cardiovascular magnetic resonance imaging technologies; muscle function research; Malaria vaccine initiative [SBRI]; Muscular Dystrophy; osteoporosis and bone related disease research; Padgett's disease; providence cancer research project; post traumatic stress disorders; social work research; interstitial cystitis; military medical informatics research; limb loss and paralysis research; and Reserve component medical training program.

The conferees direct the Department to provide a report by March 1, 2004, on the status of this Peer Reviewed Medical Research Program.

COST SHARING FOR MEDICAL RESEARCH PROGRAMS

The conferees commend the Department for its management of the peer reviewed medical research and cancer research programs, but note with concern the challenge of

funding increases to these programs within the resources available for military spending. Therefore, the conferees direct the Assistant Secretary of Defense (Health Affairs), in consultation with the service Surgeons General and the Institute of Medicine, to investigate alternative funding sources, including private sector and non-Federal contributions, that can best be used to leverage appropriated funds without biasing the peer review selection process. The Department should report their findings and recommendations when submitting their annual report on the status of the Peer Review Medical Research Program, due on March 1, 2004.

CHIROPRACTIC HEALTH CARE INITIATIVE

The Congress appropriated \$750,000 in the Department of Defense Appropriations Act 2003 (Public Law 107-248) under the heading "Defense Health Program" for operation and maintenance for the Chiropractic Initiative. The conferees agree and direct the Department to make available from any available balances, \$750,000 to develop and carry out a joint chiropractic health care initiative with the Texas Chiropractic College.

BETANCES HEALTH CENTER

The Congress appropriated \$500,000 in the Department of Defense Appropriations Act 2003 (Public Law 107-248) under the heading "Defense Health Program" for operation and maintenance for the Betances Health Center. The conferees agree and direct the Department to make available from any available balances \$500,000 to the Betances Health Center to support the restoration of health care services.

HEALTHFORCES/OUTCOMES MANAGEMENT PROGRAM

The conferees agree with the Senate position on the Walter Reed Army Medical Center's HealtheForces/Outcomes Management Program and note that a portion of the funds may be used for collaborative projects for chronic disease management in medically underserved, rural areas.

DISPOSABLE TOOTHBRUSHES

The conferees encourage the Army to consider looking at the viability of adding disposable toothbrushes to sundry packs.

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SIERRA ARMY DEPOT

The conferees have provided funding for the Sierra Army Depot Cryofracture/Plasma Arc Demilitarization Program within Research, Development, Test and Evaluation, Army as opposed to the funding provided in the House bill.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

The conference agreement includes \$835,616,000 for “Drug Interdiction and Counter-drug Activities, Defense” as opposed to \$817,371,000 as proposed by the House and \$832,371,000 as proposed by the Senate. Adjustments to the budget request are as follows:

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NORTHERN COMMAND

The Senate included report language expressing concern about plans to consolidate some existing functions and personnel currently residing with the regional Commands at the newly created Northern Command and adjusted the budget accordingly. The House shares these concerns. While the conferees agree that Northern Command has a tremendous responsibility for protecting the continental United States from many threats to include those associated with counter-narcotics and fully support their requirements, they also fully support the missions and expertise that reside with the existing regional commands, most notably the United States Pacific and Southern Commands. The conferees direct that none of the resources or personnel to include those of the reserve components currently assigned to Pacific Command or Southern Command shall be diverted to Northern Command without 15 days prior notification of the congressional defense committees. The conferees have adjusted the budget to support their recommendation.

OFFICE OF THE INSPECTOR GENERAL

The conferees agree to provide \$162,449,000, as proposed by both the House and Senate, for the Office of the Inspector General.

TITLE VII—RELATED AGENCIES

**CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY
SYSTEM FUND**

The conference agreement appropriates \$226,400,000 for payment to the Central Intelligence Agency Retirement and Disability System Fund, as proposed by both the House and the Senate.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates \$175,113,000 instead of \$170,640,000 as proposed by the House and \$165,390,000 as proposed by the Senate.

The conference agreement provides for a transfer of \$44,300,000 to the Department of Justice for the National Intelligence Center to support the Department of Defense’s counter-drug intelligence responsibilities, instead of \$46,100,000 as proposed by the House and \$34,100,000 as proposed by the Senate.

PAYMENT TO KAHO'OLawe ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

The conference agreement provides \$18,430,000 for the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund as proposed by the Senate.

NATIONAL SECURITY EDUCATION TRUST FUND

The conference agreement appropriates \$8,000,000 for the purposes of title VIII of Public Law 102-183, to be derived from the National Security Education Trust Fund, as proposed by both the House and the Senate.

TITLE VIII—GENERAL PROVISIONS

The conference agreement incorporated general provisions of the House and Senate versions of the bill which were not amended. Those general provisions that were amended in conference follow:

The conferees included a general provision (Section 8008) which amends language recommended by the House and the Senate with respect to the programs granted multi-year procurement authority.

The conferees included a general provision (Section 8014) which amends House language regarding converting functions of the Department of Defense to contractor performance, by adding cost differential criteria; crediting conversions toward outsourcing goals, and excluding depot contracts and depot maintenance contracts.

The conferees included a general provision (Section 8018) which amends Senate language to require that the Department of Defense budget submission for fiscal year 2005 shall identify anticipated residual value settlements.

The conferees included a general provision (Section 8049) which amends House and Senate language recommending rescissions. The rescissions agreed to are:

(RESCISSIONS)

Fiscal Year 2001:

Shipbuilding and Conversion, Navy: Auxiliaries Craft and Prior Year Program Costs	\$3,835,000
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Fiscal Year 2002:

Shipbuilding and Conversion, Navy: Auxiliaries Craft and Prior Year Program Costs	9,336,000
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Fiscal Year 2003:

Chinook	39,100,000
A2C2S	8,000,000
Weapons and Tracked Combat Vehicles, Army: M1A2	30,000,000
Procurement of Ammunition, Army: CTG, 40MM, All Types	36,000,000
Other Procurement, Army: Advanced Aviation Instrumentation Training Simulator	8,000,000
Other Procurement, Air Force: Classified	10,000,000

EC-130J Upgrades	15,000,000
DIRCM Laser	33,000,000
Environmental Medical Unit	1,650,000
Classified Program	1,339,000
Research, Development, Test and Evaluation, Defense-Wide: SOF Tactical Systems	25,000,000
National Defense Sealift Fund: Unobligated Balance	105,300,000

The conferees included a general provision (Section 8082) which amends Senate language regarding the Under Secretary of Defense for Intelligence. The conference agreement requires a quarterly report from the Secretary of Defense, the contents of which are discussed in the classified annex accompanying the conference report.

The conferees included a general provision (Section 8083) which amends Senate language providing that government travel card and purchase card refunds may be credited to operation and maintenance accounts for fiscal year 2005.

The conferees included a general provision (Section 8091) which amends language recommended by the House and Senate to make funds available for transfer to other activities of the Federal Government, and provides funds for certain classified activities.

The conferees included a general provision (Section 8093) which amends House language which provides \$2,000,000 for construction and furnishing of additional Fisher Houses to meet the needs of military family members when confronted with the illness or hospitalization of an eligible military beneficiary. The Senate recedes. The conferees are aware that the nonappropriated fund instrumentalities (NAFI) which were established by law to help defray the operating costs of Fisher Houses have decreased in value due to poor financial market performance. The conferees are also aware that the costs to manage many Fisher Houses are much higher than planned due to an influx of patients at military treatment facilities as a result of casualties suffered during operations IRAQI FREEDOM and ENDURING FREEDOM. The conferees provide \$1,800,000 in the Defense Health Program to help mitigate any deficit, which will occur in fiscal year 2004. The conferees direct the Secretary of Defense to analyze the financial condition of the Fisher House operating accounts and submit with the fiscal year 2005 budget a plan to ensure their solvency without increasing the current service fee paid by military family members.

The conferees included a general provision (Section 8094) which amends House language regarding funds reduced from certain operation and maintenance and research, development, test and evaluation accounts for savings or excessive growth in advisory assistance services, support services, analysis, engineering and technical support contracted by the military departments and defense agencies.

The conferees included a general provision (Section 8095) which amends Senate language making \$80,000,000 available for component coproduction for the Arrow Missile Defense Program.

The conferees included a general provision (Section 8096) which amends Senate language to provide funds only for transfer to the Coast Guard for mission essential equipment for HC-130J aircraft.

The conferees included a general provision (Section 8101) which amends House language which reduces \$200,000,000 of operation and maintenance funds for cost growth information technology development.

The conferees included a general provision (Section 8104) which amends House language on the amounts reduced from working capital fund excess cash balances.

The conferees included a general provision (Section 8105) which amends House language regarding the amount reduced in "Operation and Maintenance, Navy" for excess funded carryover.

The conferees included a general provision (Section 8108) which amends Senate language to retain a total of 94 B-52 aircraft by providing a total funding amount of \$40,600,000.

The conferees included a general provision (Section 8109) which amends Senate language that restores a fiscal year 2003 provision which makes \$8,000,000 available in "Operation and Maintenance, Air Force" for railroad track realignment by adding a provision which makes \$26,000,000 from funds available in "Operation and Maintenance, Air Force" for phased infrastructure repairs for Air Force managed ranges in Alaska.

The conferees included a general provision (Section 8112) which amends House and Senate language which provides for grants to various organizations.

The conferees included a general provision (Section 8115) which amends Senate language specifying certain budget justification documents required for overseas contingency operations.

The conferees included a general provision (Section 8117) which amends Senate language making classified transfer of funds.

The conferees included a general provision (Section 8122) which amends House language to prohibit the disestablishment of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve and which allows the Squadron to perform other missions in support of national defense requirements during the non-hurricane season.

The conferees included a general provision (Section 8125) which amends House language which provides for \$17,000,000 in "Operation and Maintenance, Army" only for a grant to the Silver Valley Unified School District for the purpose of school construction at Fort Irwin, California.

The conferees included a general provision (Section 8126) which amends House language reducing certain accounts in Operation and Maintenance for efficiencies in management, outsourcing, and improved economic assumptions.

The conferees included a general provision (Section 8127) which amends House language that reduces the amount available in "Operation and Maintenance, Air Force" for excess cash in the Transportation Working Capital Fund.

The conferees included a general provision (Section 8128) which amends Senate

language to rescind funds available in the "Iraq Freedom Fund" provided in Public Law 108-11.

The conferees included a general provision (Section 8129) which amends House language to allow the Secretary of Defense to make additional payments to those local educational agencies who have children with severe disabilities.

The conferees included a general provision (Section 8131) which amends Senate language concerning the Terrorism Information Awareness Program.

The conferees included a general provision (Section 8132) which amends House Language that directs the Secretary of the Navy to close Naval Station Roosevelt Roads, Puerto Rico. The closure and disposal of Naval Station Roosevelt Roads (NSRR) is a logical step in the process of relocating Naval training activities and training support from the NSRR area to other training facilities along the Gulf and Atlantic coasts. The conferees recognize the record of high quality service and support established by the military personnel, federal civilian employees and local contractors at NSRR. The conferees encourage the Navy to take great care in relocating military personnel and families, in assisting civilian employees with relocation and outplacement and in performing environmental cleanup. The conferees strongly encourage the Department of the Navy to work with the Department of Defense Education Activity (DoDEA) to ensure the operation of base schools through completion of the 2003 to 2004 academic year. The accompanying bill establishes a process for property closure and disposal in accordance with the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101-510; U.S.C. 2687 note).

The conferees included a general provision (Section 8138) which amends Senate language regarding a report from the Secretary of Defense on contractual offset agreements with foreign countries.

The conferees included a general provision (Section 8141) which amends Senate language to prohibit funds to be obligated or expended on the decommissioning of a Naval or Marine Corps Reserve aviation squadron until the Comptroller General of the United States submits a report on the requirements for Navy and Marine Corps tactical aviation and the role of Reserve assets in those mission requirements.

The conferees concur with the intent of Senate section 8169 and direct that not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Appropriations of the House and the Senate, a report on contracts for reconstruction and other services in Iraq that are funded in whole or in part with funds available to the Department of Defense. The report shall detail:

- (1) The process and standards for designing and awarding such contracts, including assistance or consulting services provided by contractors in that process;
- (2) The process and standards for awarding limited or sole-source contracts, including the criteria for justifying the awarding of such contracts;
- (3) Any policies that the Secretary has implemented or plans to implement to provide for independent oversight of the performance by a contractor of services in designing and awarding such contracts;

(4) Any policies that the Secretary has implemented or plans to implement to identify, assess, and prevent any conflict of interest relating to such contracts for reconstruction;

(5) Any policies that the Secretary has implemented or plans to implement to ensure public accountability of contractors and to identify any fraud, waste, or abuse relating to such contracts for reconstruction;

(6) The process and criteria used to determine the percentage of profit allowed on cost-plus-a-fixed-fee contracts for reconstruction or other services in Iraq; and

(7) A good faith estimate of the expected costs and duration of all contracts for reconstruction or other services in Iraq.

The conferees included a new general provision (Section 8145) which provides for the transfer of the Sturgeon Class submarine NARWHAL (SSN-671) to the National Submarine Science Discovery Center, Newport, Kentucky.

The conferees included a new general provision (Section 8146) which allows the Department of Defense to waive subsistence costs for those military personnel who are hospitalized during fiscal year 2004 for combat injuries.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2004 recommended by the committee of conference, with comparisons to the fiscal year 2003 amount, the 2004 budget estimates, and the House and Senate bills for 2004 follow:

[In thousands of dollars]

New budget (obligational) authority, fiscal year 2003	\$426,989,434
Budget estimates of new (obligational) authority, fiscal year 2004	372,346,314
House bill, fiscal year 2004	369,190,239
Senate bill, fiscal year 2004	369,165,293
Conference agreement, fiscal year 2004	368,711,561
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2003	-58,277,873
Budget estimates of new (obligational) authority, fiscal year 2004	-3,634,753
House bill, fiscal year 2004	-478,678
Senate bill, fiscal year 2004	-453,732

Jerry Lewis,

C. W. Bill Young,

David L. Hobson,

Henry Bonilla,

George R. Nethercutt, Jr.,
Randy “Duke” Cunningham,
Rodney P. Frelinghuysen,
Todd Tiahrt,
Roger F. Wicker,
John P. Murtha,
Norman D. Dicks,
Martin Olav Sabo,
Peter J. Visclosky,
James P. Moran,
David R. Obey,

Managers on the Part of the House.

Ted Stevens,
Thad Cochran,
Arlen Specter,
Pete V. Domenici,
Christopher S. Bond,
Mitch McConnell,
Richard C. Shelby,
Judd Gregg,
Kay Bailey Hutchison,
Conrad Burns,
Daniel K. Inouye,
Ernest F. Hollings,
Robert C. Byrd,

Patrick J. Leahy,
Tom Harkin,
Byron L. Dorgan,
Richard J. Durbin,
Harry Reid,
Dianne Feinstein,

Managers on the Part of the Senate.

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